THE

LEGISLATIVE ASSEMBLY DEBATES

(OFFICIAL REPORT)

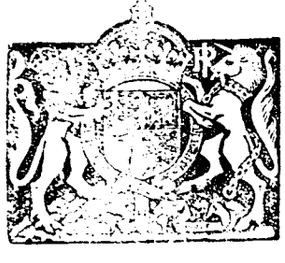
VOLUME II, 1932

(18th February to 12th March, 1932)

THIRD SESSION

OF THE

FOURTH LEGISLATIVE ASSEMBLY, 1932



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Legislative Assembly

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MR. ARTHUR MOORE, M.B.E., M.L.A.
SIR ABDULLAH SUHRAWARDY, Kt., M.L.A.
DIWAN BAHADUR HARBILAS SARDA, M.L.A.
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Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, with your permission I would like to make a suggestion in regard to the procedure as to the agenda for to-day. As our Standing Orders stand at present, in the ballot Bills which have already been introduced and with reference to which motions for circulation or consideration by the Select Committee have been given get priority over motions for leave to introduce the Bill. Now, this Standing Order works as a great hardship in the case of Members who want leave to introduce their Bills. The practical consequence of this is that if any one does not get a chance of introducing a Bill in the beginning of the session, he practically does not get a chance for three years. I propose, Sir, to give notice of a suitable amendment to our Standing Orders to rectify this grievance, but in the meantime, I would with your permission move that in the Agenda for to-day items Nos. 7 to 66, which comprise motions for leave to introduce Bills, may be taken up in that order first, and after these are disposed of, items Nos. 1 to 6 may be taken in that order. I have got the permission of Honourable Members in whose name items 1 to 6 stand in the Agenda paper, and if you, Sir, agree to this suggestion, and if the House would agree, I would like that this procedure be adopted to-day.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair has repeatedly stated that with practically the unanimous consent of the House such variations in procedure can be allowed. The Chair sees no objection to the suggestion which has been made, but wishes to know whether there is practical unanimity in the House, in favour of the suggestion. Is there any objection to the course suggested by the Deputy President being adopted for to-day's procedure?

The Honourable Sir George Rainy: I do not rise to object, but there are one or two remarks I should like to make. In the first place, so long as the Standing Orders remain in their present form, nothing that is done to-day could of course debar any Member of the House, whether a Member of Government or not, from raising an objection if on any subsequent occasion it was intended to follow the same procedure. That, I think, is clear. In the second place, I should like it to be understood that at this stage Government are not expressing any opinion whatsoever on the suggestion that the Standing Order ought to be amended. That will be considered at the proper time if a motion is brought forward. Subject to these two remarks I do not propose to offer any objection.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair has made it clear repeatedly that any change of procedure, as proposed on the present occasion, will only be accepted by the Chair if there is a practical unanimity in the whole House. That is the answer to the first point made by the Leader of the House. As regards the second point, it is clearly open to the Honourable House to consider any motion for the amendment of the Standing Orders which may be brough forward and to take such attitude in regard to them as they may deem proper. I take it that there is no objection. I will therefore accept th procedure suggested by the Deputy President.

THE INDIAN INCOME-TAX (AMENDMENT) BILL.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): I move for leave to introduce a Bill further to amend the Indian Income-tax Act, 1922. Honourable Members who have got a copy of this Bill before them will find that there are 54 signatures appended to this Bill. That shows at once the strength of feeling on this side of the House in favour of this Bill. I know that this Bill is defective in its drafting. I would ask the Honourable occupants of the Treasury Benches to assist us in putting it in proper shape. The object of this Bill is to provide for a judicial control of the assessment of income-tax and that is a principle upon which I think there would be no difference of opinion between ourselves and the Honourable Members on the other side of the House. Sir, I move.

The motion was adopted.

Sir Hari Singh Gour: I introduce the Bill.

THE INDIAN "KHADDAR" (NAME PROTECTION) BILL.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): I move for leave to introduce a Bill to provide for the protection of the names "Khaddar" and "Khadi" used as trade descriptions of cloth spun and woven by hand in India. Sir, I move.

The motion was adopted.

Mr. Gaya Prasad Singh: Sir, I introduce the Bill.

THE INDIAN COASTAL TRAFFIC (RESERVATION) BILL.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill to reserve the Coastal Traffic of India to Indian Vessels.

The motion was adopted.

Mr. B. V. Jadhav: Sir, I introduce the Bill.

THE HINDU UNTOUCHABLE CASTES (REMOVAL OF DISABILITIES) BILL.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill to remove disabilities affecting the untouchable castes of the Hindu community. It has been represented to me, Sir, by some of

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LEGISLATIVE ASSEMBLY

Thursday, 18th February, 1932.

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

APPOINTMENT OF THE COMMITTEE ON PETITIONS.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Under Standing Order 80 (1) of the Legislative Assembly Standing Orders, I have to appoint a Committee on Petitions. I have therefore to announce that the following Honourable Members will form the Committee:

Mr. Arthur Moore,

Sir Abdullah Suhrawardy,

Diwan Bahadur Harbilas Sarda, and

Mr. B. Sitaramaraju.

According to the provisions of the Standing Orders, the Deputy President, Mr. R. K. Shanmukham Chetty, will be the Chairman of the Committee.

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, the 22nd. On that day the order of business will be:

(1) motions to take into consideration and pass the Wire and Wire Nail Industry (Protection) Bill;

(2) a motion to circulate the Bill further to amend the Workmen's Compensation Act, 1923, which was introduced by the Honourable Sir Joseph Bhore yesterday;

(3) a Resolution which stands in my name dealing with import duties on galvanized iron, steel pipes and sheets;

(4) a Resolution which stands in the name of the Honourable Sir Joseph Bhore dealing with the Draft Convention of the International Labour Conference concerning hours of work in coal mines.

On Tuesday, the first legislative business will be motions to take into consideration and pass the Bamboo Paper Industry (Protection) Bill. Thereafter any business not concluded on Monday, will be taken up, and finally, if any time is available, the debate on the motion that the Report of the Public Accounts Committee be taken into consideration will be begun.

On Wednesday, any business left over from Tuesday's List will be taken in the order in which it stood on that list.

For Thursday, we are asking a direction from the Governor General to present the Railway Budget. If any business remains over from the previous day's list, it will be taken after the presentation of the Railway Budget. At present it is not proposed that the House should sit on Friday or Saturday.

[Mr. R. K. Shanmukham Chetty.]

my friends, that the Bill does not go far enough. My object in introducing this Bill is to give an opportunity to this House to rectify a great blot that now rests on Hindu society. I do not propose in the later stages to make any attempt to hurry through this measure. I propose to move such a motion as would give ample opportunity to this House to record its opinion on the subject. Sir, I move.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I oppose the introduction of the Bill because it is based upon a fundamental misconception of the rights of the so-called untouchable castes. With regard to the principle of the Bill, I have nothing more to say now; with regard to the rest of the Bill, I reserve my remarks for the further stages.

Mr. President: The question is:

"That leave be given to introduce a Bill to remove disabilities affecting the untouchable castes of the Hindu community."

The motion was adopted.

Mr. R. K. Shanmukham Chetty: Sir, I introduce the Bill.

THE PREVENTION OF DEDICATION OF DEVADASIS BILL.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill to prevent the dedication of women to service in Hindu Temples in British India.

The motion was adopted.

Mr. R. K. Shanmukham Chetty: Sir, I introduce the Bill.

Sir Hugh Cocke (Bombay: European): I rise to a point of order, Sir. Mr. Chetty mentioned that he had got the permission of the Members who had the first six motions on the paper that these should stand over till the other subsequent motions were got through, and on that ground you allowed these introductions to proceed. I do not know whether Members who have got Bills to introduce had notice of this. It seems to me very unfair that certain Members should not be able to introduce their Bills because they did not know that a new procedure was going to be adopted. I was about to rise just now to suggest that these Members should have notice of this new procedure, but perhaps all the introducers of the Bills have been notified. Whether that is so or not I do not know.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair recognizes the force of the point which the Honourable Member has made. At the same time the Chair wishes to emphasise the fact that it is the duty of all Honourable Members of this Assembly to be present in their seats when the Assembly is sitting (Hear, hear). It has been a matter of regret to the Chair that the attendance has been so poor on many occasions.

THE HINDU INHERITANCE (AMENDMENT) BILL.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I beg to move for leave to introduce a Bill to amend the Hindu Law of Inheritance. I need hardly remind the House that this subject has also been exercising the minds of several Honourable Members and that is my excuse for introducing this Bill. I do not claim that I have exhausted the list of all the possible heirs who deserve a high place in the catena of the Hindu order of inheritance, but this will go some way towards mitigating a glaring defect in Hindu law. Sir, I move.

Mr. President: The question is:

"That leave be granted to introduce a Bill to amend the Hindu Law of Inheritance."

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I beg to oppose the introduction of the Bill . . .

Mr. President: The Honourable Member can say "No" when the question is put.

The question is:

"That leave be granted to introduce a Bill to amend the Hindu Law of Inheritance."

The motion was adopted.

Sir Hari Singh Gour: Sir, I introduce the Bill.

THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Sir, I beg to move for leave to introduce a Bill to amend the Child Marriage Restraint Act, 1929. This Bill has been designed with a view not to repeal the Act but to obviate certain difficulties which have arisen or may arise hereafter, as has been explained in my Statement of Objects and Reasons. Sir, I have nothing further to add at this stage. I move.

The motion was adopted.

Mr. Bhuput Sing: Sir, I introduce the Bill.

THE CHILD MARRIAGE RESTRAINT (REPEALING) BILL.

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces: Muhammadan Urban): Sir, I beg to move for leave to introduce a Bill to repeal the Child Marriage Restraint Act, 1929.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I oppose the motion.

Mr. President: The question is:

"That leave be given to introduce a Bill to repeal the Child Marriage Restraint Act, 1929."

The motion was adopted.

Khan Bahadur Haji Wajihuddin: Sir, I introduce the Bill.

THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

Sardar Sant Singh (West Punjab: Sikh): Sir, I beg to move for leave to introduce a Bill further to amend the Code of Criminal Procedure, 1898. I have given my reasons for amending the various sections of the Code of Criminal Procedure in my Statement of Objects and Reasons. Sir, I move.

The motion was adopted.

Sardar Sant Singh: Sir, I introduce the Bill.

THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill to amend the Child Marriage Restraint Act, 1929.

The motion was adopted.

Raja Bahadur G. Krishnamachariar: Sir, I introduce the Bill.

THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL.

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces Muhammadan Urban): Sir, I beg to move for leave to introduce a Bill to amend the Child Marriage Restraint Act, 1929, for certain purposes.

The motion was adopted.

Khan Bahadur Haji Wajihuddin: Sir, I introduce the Bill.

THE INDIAN TRUSTS (AMENDMENT) BILL.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Trusts Act, 1882, for a certain purpose.

The motion was adopted.

Mr. R. K. Shanmukham Chetty: Sir, I introduce the Bill.

THE INDIAN REGISTRATION (AMENDMENT) BILL.

Sardar Sant Singh (West Punjab: Sikh): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Registration Act, 1908.

The motion was adopted.

Sardar Sant Singh: Sir, I introduce the Bill.

THE INDIAN LIMITATION (AMENDMENT) BILL.

Sardar Sant Singh (West Punjab: Sikh): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Limitation Act, 1908.

The motion was adopted.

Sardar Sant Singh: Sir, I introduce the Bill.

THE INDIAN TRUSTS (AMENDMENT) BILL.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill further to amend the law relating to Private Trusts and Trustees.

The motion was adopted.

Seth Haji Abdoola Haroon: Sir, I introduce the Bill.

THE SPECIAL MARRIAGE (AMENDMENT) REPEALING BILL.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill to repeal the Special Marriage (Amendment) Act, 1923.

The motion was adopted.

Raja Bahadur G. Krishnamachariar: Sir, I introduce the Bill.

Mr. B. Das (Orissa Division: Non-Muhammadan): I shall be grateful, Sir, if I am allowed to introduce my Bills. I am sorry I was not in my seat when my name was called.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I am afraid I cannot allow the Honourable Member to introduce his Bills now.

Mr. B. Das: Sir, may I point out that this has never been the practice of the House.

Mr. President: Order, order. I have already given my ruling. The Honourable Member can give notice and take his chance at the next opportunity.

THE HINDU MARRIAGES DISSOLUTION BILL—*contd.*

Mr. President: The House will now proceed with the further consideration of the motion moved by Sir Hari Singh Gour.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I had given notice of a motion that the Bill be re-circulated for the purpose of eliciting opinions thereon a second time. I think I ought to explain that that motion was given after discussion with my Honourable friend Sir Hari Singh Gour and as the motion has already been moved by my friend Mr. Raju, it is no use my wearying the House again.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): You cannot repeat it.

Raja Bahadur G. Krishnamachariar: Very well, Sir. Another motion of which I had given notice . . . . .

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): If my learned friend is going to move for the re-circulation of the Bill, I will accept his motion.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): That amendment has already been moved. Therefore he cannot move it again.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): The object of Sir Hari Singh Gour is to intimate to the House that he accepts that motion with a view to cut short the discussion, if necessary.

Mr. President: Four Honourable Members have given notice of a further amendment and Raja Bahadur Krishnamachariar is one of them. The Honourable Member has intimated his intention of accepting the amendment for re-circulation. That is quite sufficient.

Raja Bahadur G. Krishnamachariar: Sir, so far as the motion to re-circulate the Bill is concerned, it is perfectly true that at one time I had agreed that it would be the better course. But now I find that there is absolutely no use in wasting the time of the House now or hereafter by keeping the Bill alive. The Bill has absolutely no life, and it is practically now gasping for its last breath. Besides, the view point which I have the honour to represent in this House has not been placed on the record and I mean therefore to oppose the original motion. With regard to the other motion of which I have given notice along with three other Members, I at any rate do not propose to move it. Therefore, Sir, with your permission I shall state the grounds of my objection to this Bill.

Four years ago my Honourable friend introduced this Bill and after some discussion it was withdrawn by him. It is however necessary for me to refer to certain incidents that happened at that time in order to show how the present Bill is absolutely out of place, and so far as the circumstances in which it has now been introduced are concerned, there has been no change since the last Bill was allowed to be withdrawn. At that time when he introduced his Bill, the late Lala Lajpat Rai put a question to him. "My friend says, the Bill is intended to remove certain doubts regarding dissolution of marriage among persons professing the Hindu religion. Has he shown where the doubt is?" The same question now arises, he has not shown where the doubt is. Except what the Bill says, and except for the speech made by the Honourable the Mover of the Bill, it would be found that there is absolutely no doubt in the Hindu Law, at any rate from his standpoint, so far as this question is concerned. The old law-givers according to him, specifically stated that this has been the Hindu Law for over 3,000 years and consequently there is absolutely no doubt so far as the Hindu Law is concerned. In his reply to the question of Lala Lajpat Rai, my Honourable friend said that there were hundreds of cases which had been decided by courts holding that the Hindu Law, as it existed at present, did not give matrimonial jurisdiction to courts in respect of disputes between Hindus, and consequently he proposed to remove that defect. Now, his statement on that point in the Objects and Reasons given in this Bill only repeats the position that, so far as the Hindu Law is concerned there is no doubt about the right but that it is absolutely silent as regards the matrimonial jurisdiction. The result of it is that if my friend wanted to make provision for that, he ought really to have brought in a Bill to supplement the Hindu law as he understands it by giving courts matrimonial jurisdiction. But this he does not do. Upon the merits of the Bill the late Lala Lajpat Rai, who claimed and I think justly claimed to be even a greater social reformer, opposed this Bill on the ground that this sort of piecemeal legislation in respect of Hindu law, without considering how it would affect the other relations, would be ill-advised, and that my Honourable friend's eloquence was misplaced. Having said that, he suggested that this Bill should be withdrawn and that another Bill should be, if necessary, brought forward later on. Accepting that suggestion, my Honourable friend said at that time: "My Honourable friend is perfectly right that the time is not yet ripe and because that time is not yet ripe, I take his advice and I will renew this measure on a more propitious occasion". That withdrawal was allowed by this House. The position then was that an attempt was made frankly and directly to attack the Hindu law in relation to marriages and the motion was opposed and eventually withdrawn, upon the ground that the time was not then ripe. Four years later he has simply copied out the same Bill and has introduced it. May I respectfully ask him how the time which was then unripe has ripened now and how this is a better occasion than the former one in order to introduce this Bill? So far as

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I have been able to understand his speech, he has not given reasons or the facts upon which he has come to the conclusion that the time is ripe for introducing this Bill. On the contrary, if the attitude of the House which was evidenced by the incident of last Saturday is to be judged as the proper state of mind in which this House is with reference to this Bill, not only is the time not ripe yet but the House is not at all prepared to give my friend any occasion to waste its time any more in discussing this Bill. Consequently so far as the time is concerned, the present seems to be even more unripe than the former occasion. I have read and tried to understand the speech which my Honourable friend delivered the other day in moving his motion to refer the Bill to the Select Committee. I have not been able to understand why he has again persisted in bringing forward a Bill only providing a thing which according to him is absolutely clear but failed to provide for the *lacunae* which according to him exists in the Hindu law. He says he does not merely ask for a processual law but that he wants to have it declared that for the reasons stated by him a marriage may be dissolved or declared null and void. He has referred with great triumph to the Baroda Act which shows a great deal of progress made in the Indian States as compared with British India. I shall have to say later something in detail about that, but on the present occasion I shall invite the attention of the House to the fact that the Baroda Act has got between 40 and 50 sections and it gives elaborate detail as to what has got to be done when you want nullity of marriage, dissolution of marriage or judicial separation. That Act provides elaborate details as to what the party who wants relief from a court should do before he can get that relief. My Honourable friend, Sir Hari Singh Gour, forgets all that. Supposing the Bill is passed what is the remedy for the wife, what is the remedy for the children?

An Honourable Member: That will be supplied by the Select Committee.

Raja Bahadur G. Krishnamachariar: I have been hearing for some days in connection with these Bills that every imbecile attempt to introduce legislation is justified by the fact that the *lacunae* should be rectified by the Select Committee. That is not the rule. The rule is that in the second reading, the principle should be absolutely and finally decided. So far as I can see, once in the second reading the principle is admitted, the only opportunity that Honourable Members will have to get the Bill rejected is when the motion for third reading that the Bill be passed is made either as amended or not amended. The Select Committee has absolutely no right, for instance, to say what shall be the procedure, when you yourself do not want to say what the procedure is. If you say that the procedure shall be of a certain kind the Select Committee may for instance say that there is contradiction between that and another Act and they may so adjust the two that one may co-ordinate with the other. It is a mere irregularity or a drafting mistake which would bring into existence unworkable conditions and this can be rectified by the Select Committee. If you decide upon the principle that divorce is allowed under the Hindu law you cannot place upon the heads of the gentlemen composing the Select Committee to decide what shall or shall not be the procedure to give effect to that principle. That is not the law and that is

not the procedure; that is not, so far as I can understand it, the manner in which legislation should be introduced. And no one knows that better than my Honourable friend Dr. Gour, and consequently it is that he said in his speech that he was not asking for a processual law. Having said that how can the Select Committee sit down and make it up for him? Consequently, Sir, the position is this. He introduced a Bill four years ago in order to declare what according to him is perfectly clear according to Hindu law. He said there was a defect in the Indian law; that defect has not been attempted to be rectified by him. He again wants the same declaration and how, I respectfully ask, is the time ripe so far as this legislation is concerned? He has not been able to show that.

Then, Sir, he says,—probably I have not been able to understand the language or the idea underlying it,—but he says:

> "I wish to point out to Honourable Members that even within the narrow confines of customs, and custom so well recognised as it is in the case of the Sudras, the courts give decisions based on the facts in each individual case, and it is a notorious fact—a fact which has been recognised, as I have said, in the numerous decision of the various courts—that if a party goes to court for a declaration that the marriage of the parties has been dissolved under the customary law and by the caste Panchayat, the court still demands evidence the quantum of which naturally depends upon the caste of the parties."

I do not know exactly what the grievance is. He says that if the caste panchayat according to existing custom dissolves a marriage the person who wants to enforce the relief through the court is told by the court to bring some evidence; in other words, without producing evidence you cannot get the relief that you want. Is it the idea that when this Act is passed the court will be entitled to pass an order without any evidence whatsoever. You have still got to produce evidence of impotency; you have still got to produce evidence of the two other factors that would enable a woman to obtain a divorce; and consequently I do not understand what it is that the Honourable Member wants or what are the defects in the existing law about which he complains.

Sir, that is the position, and if the speech of my Honourable friend on the present occasion be read, you find it is a jumble of irrelevance, and ill-considered and ill-digested arguments which do not go to support the position that he wanted to make.

Now, Sir, so much with reference to what he wants this House to do. Now, as regards the subject-matter of the Bill itself it is, as he frankly admitted, an interference with the Hindu law of marriage. Now, Sir, according to the authorities, according to the view of the Government which they have been holding from the earliest times, among Hindus marriage and religion are two words which mean the same thing. The idea has been pressed by the Government of India whenever a question relating to Hindu marriage arose As to the policy which Government follows in dealing with a Bill of this nature and which the present Law Member repeated only the other day, it has been going on without a change from the very earliest times, namely, from the year 1872. That policy and principle of the Government of India is not to interfere with the present laws and customs of the different peoples of India unless they have very strong and conclusive evidence that the change is desired by the people who are affected. That, Sir, was laid down by Mr. Jenkins, sometime Home Member of the Government of India, in connection with a Bill that was attempted to be introduced to amend the Act of 1872 and

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the same has been from time to time repeated by every Honourable Member who represented the Government of India whenever such a Bill was introduced.

Now, I shall come to the point whether there is a demand for this legislation. Who demands that this legislation should be brought into existence? It is a pity that my Honourable friend, Mr. Das, who began very well in stating the entire absence of any demand on behalf of the so-called discontented wives and widows did not unfortunately pursue the subjects. Has my friend got any evidence before him that there is a demand, a real demand, an honest demand, about this? No. He has not produced any evidence, but on the contrary he regretted the fact of the Bill having been sent for opinion to mere men and that the women had no chance to give expression of their opinion. You will find in the notice of motion that stood in my name for re-circulation that I have at my friend's suggestion specially said "eliciting the opinion especially of women."

An Honourable Member: Of girls in schools and colleges?

Raja Bahadur G. Krishnamachariar: I cannot say whether my Honourable friend, by oversight or mistake or by forgetfulness failed to notice the fact that the most important ladies' association in Western India, an association whose opinion was flourished in our face when the previous Bill was being discussed, have given it as their opinion—printed along with the other opinions—that this Bill was not wanted and that it will create great mischief among the Hindus, and that they cannot support the Bill for dissolution of Hindu marriages by Sir Hari Singh Gour. It cannot therefore be said that women's associations were not invited to give their opinions. Their opinions were received; but as the saying goes, you can merely take a horse to the water—you cannot make him drink: you can ask them for their opinions; and when they recorded their opinions the result was against my friend.

In addition to that, who wants this legislation? My question is, "Who has made this demand for this legislation?" It is a libel on the race which produced a Sita or a Savitri that its modern representatives should claim to be freed from what their Holy Shastras teach them to be an irrevocable union for a contingency which they know is caused by their own *karma*. With very few unfortunate and obstinate exceptions, the Hindu wife regards her husband as the incarnation of Vishnu, is quite content with her lot and would never utter a word against her lord, whatever other moral, social or physical defects may exist among Hindus.

As pointed out by Mr. Justice Manmathanath Mukerjea:

"It cannot be gainsaid that much of the happiness that exists in Hindu homes is due to the conception which the Hindu wife fondly entertains of her spiritual union with her husband. A Hindu wife scarcely thinks of a declaration as to the invalidity of her marriage or a decree for its dissolution. The tie, to her conception, is knit by God and is indissoluble. To introduce an idea based on principles of contract, which are entirely foreign to the conception of Hindu marriage, will be to destroy the peace and happiness of many a home and will bring incalculable suffering to the offsprings. It is true that there are cases in which the Hindu wife has to suffer, but they are few and far between. Once the door is opened, all the deplorable consequences that divorce laws have brought in their train in other countries will appear in Hindu society, and the society will be altogether undermined."

An Honourable Member: What page are you reading from?

Raja Bahadur G. Krishnamachariar: I cannot give the page: I have extracted these quotations and had them typed out, from the opinion of Mr. Justice Manmathanath Mukherjea.

If I had the time . . . .

Honourable Members: Go on: this is a Bill, not a Resolution.

Raja Bahadur G. Krishnamachariar: I do not want to waste the time of the House. If I had the time I could quote from the Shastras to prove the indissolubility of marriage and how, even in the face of those untold sufferings that my friend has tried to depict in his speech, no Hindu wife, if she is worth the name, ever speaks of any grievance at all against her Lord: after having lived a married life for a long time, owing to certain bodily infirmities, a Hindu wife will not want to separate from her husband and abandon her home and want to go and live apart in order to procreate and beget children. That is not the ideal of a Hindu wife; that has no foundation in our dharma; and my friend who, being obsessed with a desire to reform the Hindu society, and with a passion to relieve the social side in the Hindu society from its religious trammels, has unfortunately painted to himself conditions which do not exist except in his own imagination and tried to make a law which is already clear and omits to do what he says ought to be done in order to give effect to that law. Leaving these people alone, do the other members of the Hindu community want it? It has been observed by them that it is a dangerous innovation which would subvert Hindu society and that it would open a wide door to unnecessary, scandalous and expensive litigation and make unscrupulous women rush to court at the instigation of undesirable persons to prove that their husbands were impotent or imbecile. Above all, even the society known as the Arya Samaj do not support the Bill. The President of the Arya Samaj at Campbellpur has recorded his opinion that:

"The Bill proposed is not a sound one and is not helpful in ameliorating the state of the Hindu Society, but on the other hand, it will have a very damaging and destructive effect in increasing in the majority of cases unnecessary litigation which is quite undesirable for a poor country like India."

Those are some of the opinions that my friend obtained upon his Bill of 1928; and if you analyse the opinions you find that there is not even 10 per cent. in favour, all the rest being against his Bill. Men with different ideas of social organism have all joined and opposed his Bill, and government after government have said that it is a dangerous innovation and that unless the community wants it such a piece of legislation ought not to be undertaken.

Under those circumstances I would respectfully draw my friend's attention to the remarks made by the present Law Member in very eloquent terms in connection with another Bill of his which this House threw out, and ask him to withdraw this Bill and wait for another riper opportunity when the House will not disappoint him by failing to make up a quorum and then take his chance. The Law Member stated:

"So far as the majority communities are concerned, there are two very ancient systems of law. These systems of law, the Hindu and the Moslem systems, have preserved the Hindu society and the Moslem society through all these centuries. Do not play with these systems of laws by bringing forward this sort of piece-meal legislation. It is destructive of the whole structure which has preserved these societies for all these long centuries. It undermines the very foundations upon which these

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special institutions are based, and the institution of marriage is one of the fundamental bases of that foundation. Sir, I do appeal to this House not play with an ancient institution like the institution of marriage."

I cannot put it in more eloquent language and I ask my friend to consider those weighty words.

I cannot put it, Sir, in more eloquent language and I would ask my friend to consider those weighty words and to say whether he has got any right, whether he has got any mandate from anybody to interfere with those old institutions which admittedly have preserved our society such as it exists to-day when other societies which had even come into existence later have ceased to exist long ago and whose history has only to be dug up from beneath the earth in order to find out how they were living at one time. In these circumstances, I would respectfully submit that the present Bill should not be agreed to by this House. My friend says—"Oh, no, your Shastras are all very well, but they don't help us now", it must be remembered that these Shastras came into existence long long ago; they simply crystallised the different customs which existed at one time, and he says that we have got to adapt ourselves to modern conditions, and that in the modern world everything progresses. Sir, I am reminded of a story of an American who went to see the Alps, after a long time and he asked the guide whether the height of the Alps had not gone a bit higher than when he saw them on his previous visit, and the guide said—"Yes, Sir, everything has gone up since the war", likewise every thing has got to be changed in order to suit the modern conditions, and I have got to adapt myself to that. (Laughter.) I do not want to make numerous quotations to prove the unworthiness of the argument about modern conditions about which my friend speaks so highly, but every Member of this House would admit the authority of the Archbishop of Canterbury as one who at least is interested in the moral welfare of his own community if not in that of other communities. I am told that in the whole of Europe these modern conditions prevail, but I have never been able to get an exact description as to what these modern conditions are, I believe that these modern conditions about which we hear so much in this country now-a-days are those which exist in all Western countries to which every one has to conform to if he wants to be called civilised. Now, this is what the Archbishop of Canterbury says: Speaking on rescue work at the Mansion House, London, the Archbishop of Canterbury is reported to have said that:

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"Multitudes of our young people of both sexes, who are supposed to be perfectly respectable, are indulging sometimes habitually, in a manner which would have shamed the men's consciences in the past and brought the most disastrous consequences to the girls. He deplored the new insidious poison in the relationship of the sexes as a result of modern devices and discoveries by which over-indulgence is possible without shameful consequences."

Now, Sir, that is one description of what modern conditions are.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): What has this got to do with the Bill?

Raja Bahadur G. Krishnamachariar: This has got everything to do with the Bill because it is claimed that in order to reform you must reform the Hindu society so as to bring it into line with modern conditions which are also said to be the same conditions that the old Rishis laid down thousands of years ago. I will now come to what the old Rishis laid down 3,000 years ago, but I shall for the present confine myself to that portion of the argument as to what would be the effect if those modern conditions are adopted in this country.

Mr. B. V. Jadhav: Are you ready to throw away the mandates of the old Rishis?

Raja Bahadur G. Krishnamachariar: What I am ready to do I shall show in a few seconds. But I will only refer to and not quote another statement of the Archbishop of Salisbury where he has referred in even plainer terms to these so-called modern conditions.

Then, Sir, so far as Baroda and Mysore Durbars are concerned, I am afraid in the heat of his enthusiasm my friend Sir Hari Singh Gour included Mysore, Indore and other places where no such Act has so far been passed,—they may pass such Acts in future,—but there is only one place where this Act has been passed, and that is Baroda. I asked the other day if my friend had gone through the proceedings,—if I had offended him in any way in the way in which I expressed myself, I am sorry,—but if he has not really gone through the proceedings,—I am quite prepared to lend him my proceedings if he has not a copy with him,—I do not think he will be happy with the circumstances under which the Baroda Bill came into existence. I will tell you only one out of half a dozen cases because I am afraid my friends here are getting impatient, but I think one is a perfect gem which this House should not miss. After the presentation of the Report of the Select Committee an amendment was introduced which said that this Act shall not apply to any community which does not want it or which has got a conscientious objection. Really speaking, it struck, according to the member himself, at the higher castes. The President, the Dewan said,—"Oh, I cannot allow this; this has already been decided". By whom? The Council has sat, the amendment has been accepted as in order, and when it came to be discussed you will observe from the proceedings that there was a very strong feeling against this Act in the Council . . . .

Sir Hari Singh Gour: No, no.

Raja Bahadur G. Krishnamachariar: It is no good saying "No".

Sir Hari Singh Gour: The principle of the Bill having been accepted the Members had . . . . .

Raja Bahadur G. Krishnamachariar: So far as the higher castes are concerned, the question has been decided,—that is what, the Dewan ruled,—and I hope if my friend here will get a similar ruling from you, Sir, he would not grumble. I should be very sorry to be governed in circumstances such as those I have just mentioned by the Act of Baroda, because it is not a proper piece of legislation for us to imitate. Consequently, this Bill cannot be acceptable to this House on that ground. In the first place, it does not give what the Honourable the Mover wants; in the second place, there is no demand; in the third place, conforming to modern conditions it would simply paralyse the Hindu society, and lastly,

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the instance of Baroda would not hold good, because it has been passed on a somewhat,—I shall not say, high-handed manner, but in a somewhat undesirable manner. Now, Sir, I will pass on to my next argument that this Legislature should not and ought not to interfere in a matter like this. I shall explain now what the position of the Government of India Act in this matter is:

"Under the Government of India Act, the operation of the Legislatures in this country was primarily meant for regulating transactions relating to economic and similar matters of a secular nature, between man and man and community and community. In this way it brought under its operation religious sects and communities having different conceptions of social policy and constitution in some fields of life. But this could not be interpreted as authority to operate in the field of religious sociology."

As has been observed by a distinguished authority, it is difficult under these circumstances for the true Hindu, whose law is based on the Vedas, Smrithis and other sacred books and is believed to have a transcendental origin, to imagine or agree that it can be changed by the Legislature of the country and by the votes of men a good many of whom may be or are in fact non-Hindus or are nominal Hindus without any real faith in their religious and social organisation and who, therefore, have no proper attitude for judgment from a truly Hindu point of view or have otherwise no sufficient sympathy for technical knowledge or mental equipment for the purpose. Democracy even in its modern sense was never meant for the effectuation of radical changes in the socio-religious systems of the Hindus or any other community, which takes revelation as embodied in its sacred books as its "socio-religious basis".

Sir, the recent political outlook of India would have made it clear to the House that the idea of introducing reckless changes into the normal movement of social events in the ordinary process of time, merely upon the basis of chimerical ideas, has taken possession of the minds of a portion of the vocal section of the Hindus themselves, who in many instances are without any consistent theory of work and life. This class of Members is anxious to supplant the existing order of things by the aid of legislation. Religion and social reconstruction based on fundamental Hindu conceptions have no place in their minds. It is absolutely necessary therefore that a Legislature consisting largely of Members with a mentality indicated above should not be allowed to play with the religion or religious rites and usages of the people whom they do not really represent in the matter of religion or sociology. Such Members were not returned on any religious or social ticket and they are not or cannot be deemed to be the representatives of the great masses of the Hindu population or of the Pandits and of Hindus well versed in the Hindu Shastras, who alone are deemed by the great masses of the Hindu population to be their spokesmen and leaders in such matters but who unfortunately have no place in the Legislatures of the country Many of the so-called leaders often raise the cry of democracy but they ignore the mentality of the vast masses of Hindus and at the same time pretend to be their leaders. They assume an autocratic attitude while professing to act for the betterment of the people's religion and customs. They dare not take such liberty with Muhammadans as was shown when my Honourable friend introduced the Special Marriage Act and got it

passed in 1923. That is my reason for saying that the Legislative Assembly ought not to be allowed to discuss a subject like this.

Now, Sir, I shall turn to the Shastric quotations made by my friend. I do not want to dwell too long on this aspect of the matter because an exhaustive dealing of the Shastras is likely to be considered to degenerate or reduce itself into a learned discussion as was said the other day. Now, the Honourable the Mover based his Bill on the Shastras, and unless this House is going to take what he says as gospel truth, I want to point out that not only do the Shastras not mean what they say but they lay down something entirely different. It is an uninteresting process a dry as dust process if you like and I do not want to tire the patience of the House. At the same time, I feel that it is a case of *zabardast mara rone nahin diya*, "Having been beaten, I want to cry so that I may get over my grief". If you refer to these quotations from the Shastras you will find that excepting the two last passages the rest are entirely irrelevant and so far as these two passages are concerned they have absolutely nothing to do with the question of divorce and they have been drawn out of their context, in order to show that there was religious sanction behind them. There is however a silver lining to the darkest cloud and my friend in his most eloquent way praised Manu who in the dark twilight of Hindu society brought into existence his book which has been considered all these times as a great authority. Manu has certainly to be respected in these matters. I shall only invite the attention of my friend to one matter where Manu lays down who is the proper person to propound the Shastras. Manu says that excepting those who are versed in the Vedas no one can propound the Shastras and the sin of so propounding falls not only on the man who propounds them but also on those who listen and act to his propounding. This being the case, I hope my friend will not visit this Assembly with the sin of acting according to the Shastras as propounded by him.

Lastly, I do not know exactly what the attitude of the Government is going to be. I heard that they are going to be neutral in this matter. Sir, I want them not to be neutral. This is a matter affecting the religion and the religious and social usages of the Hindu community. Sir, where it concerns any question of the Christians, Government oppose such a Bill, and where it concerns the Muhammadans they also oppose such a Bill. How then can they, with any show of justice, say that they can be neutral in a matter like this where the Hindu community is affected, when there is absolutely no unanimity in the matter? I want them to remember what Lord Canning said in 1857 in those troublous times. Lord Canning said that it was never the intention of the Government to interfere in any matter connected with the religion or the religious usages of the Hindus. Sir, I appeal to the Treasury Benches. "Do not forget those principles iterated and reiterated in those days, and if you think it is a matter of religion and if you think it is a matter upon which the people feel deeply and if you think it is a matter upon which you have not got that preponderance of opinion which would entitle you to interfere, I say you are in duty bound to resist this Bill"; and I can only say this that the Government of India have unfortunately never understood who their friends have been. At times of political trouble and turmoil they think that the men who give them a little bit of trouble and disturbance have got to be placated, and they think that those

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persons like the members of the community which I represent, who do not grumble but simply go on paying their taxes and leave everything else to Government, can be neglected. I appeal to the Government not to neglect their interests.

Several Members: The question may now be put.

Mr. B. V. Jadhav: Sir, I have great pleasure in supporting the motion of the Honourable Member, Sir Hari Singh Gour. Really speaking, the measure is a moderate one and touches only a fringe of the question of women's emancipation. I am prepared to vote for a more advanced divorce law. But on this occasion I am ready to accept half a loaf than to have none..

Most of those who are out to oppose the Bill lose sight of the fact that the present is only a permissible measure. Only those, who feel misery in married life and consider that release from it will give some relief under the circumstances stated in the Bill, will take advantage of the law of divorce. Every wife of an impotent man, an insane or a leper is not compelled to sue for divorce. Among the advanced communities hardly one per cent. of the miserable women will think of asking for divorce. It is just like the Widow Remarriage Act. It is not incumbent on any widow to remarry. But it makes the marriage of a widow valid and lawful. To be compelled to pass the life with a husband who is impotent or insane or a leper is certainly very cruel and relief should be made available in the cause of humanity.

Some of the bitter opponents of the Bill are basing their opposition on the ground that the measure is against the Hindu Shastras. But I hold that Shastras or religion have no business to inflict misery upon anyone, much less a helpless woman. Religion was never meant to make our pleasures less. This is not a western notion. It is sanctioned in the Mahabharat:

The Hindu religion is a very complex and uncertain thing. Very few can positively say what is and what is not religion:

"Shrutih smritih sadacharo swasyacha priyamatmanah
Etachchaturvidham proktam sakshat dharmasya lakshanam."

"The Vedas, the Smritis, practices of the good and what is desirable in one's own estimation: these four are said to be the clues to determine what is enjoined by religion."

In this connection another verse may also be cited:

"Shrutirvibhinna smritayascha bhinna naiko muniryasya vachah pramanam,
Dharmasya tatvam nihitam guhayam mahajano yen gatah sa panthah."

"There are contradictions in the Vedas, there are also inconsistencies in the Smritis. There is no one Muni who is the sole authority. The principles of religion lie hidden in a cave. The only road is the practice of the great."

An Honourable Member: Who are the great, Mr. Jadhav?

Mr. B. V. Jadhav: Not myself but men like Mr. Krishnamachariar. (Laughter.) But in India the practices of great men widely differ. The Honourable Members Pandit Satyendra Nath Sen and Raja Bahadur G. Krishnamachariar are in their estimation pillars of religion and take pride in its punctilious observance. The former will unhesitatingly take water brought by a Shudra. His religion is not injured by that water, which does not get polluted by the touch of a Shudra. But to the Madrasi Brahmin such water is polluted. He cannot use it. If he does, religion is violated and he must undergo severe penance. Thus we see that the practices of the great are different in different parts of the country. Which should one follow? Brahmins in the north of India can partake of food fried in ghee or oil at the hands of a Shudra. Raja Bahadur will consider such a thing against his religion. There a Brahmin cannot take his food even in the same room with a Shudra; he considers that his food will be polluted by being seen by him. Then the question arises which of the practices is according to the Shastras? Which practice should a religiously inclined man adopt as truly enjoined by the Rishis of the old times? Even in the country south of the Vindhya mountain practices differ. The Brahmins of my part of Maharashtra have adopted post-puberty marriages as a normal practice and hundreds, nay, thousands of such marriages are taking place. Occasionally girls of 35 and 45 are married. I am afraid this might give Raja Bahadur a shock; because in his part of the country girls must be married among the Brahmins before they attain puberty. I speak subject to correction that Pandit Sen from Bengal shares the same view about the sanctity of pre-puberty marriages. But the Brahmins of both these provinces, Bengal and Madras, know and they take part in the celebration of post-puberty marriages amongst the non-Brahmins of those places. And it is strange that they abet the grave breaches of Shastric rule of pre-puberty marriages by the non-Brahmins. One is really puzzled to decide what is the really sound practice. Instances may be multiplied to show the inconsistency of *Achar*, but it is not necessary to do so. Suffice it to say that the practices of the pious do not provide unerring guidance.

Now let us consider the fourth source, namely, dictates of one's own conscience. This is necessarily variable. And no one has the right to say the other one is breaking the rules of religion.

[Mr. B. V. Jadhav.]

I hold that in the matter of social reform religious books need not be consulted at all. They are sure to mislead us. There are texts in plenty conflicting with one another. They are really irreconcilable. But our pious and orthodox Pandits are unable to see any inconsistency. They have invented a method of interpretation, called the Mimansa method. The Honourable Member Professor Sen from Bengal will I am sorry to say be shocked at this criticism. The Mimansaks argue in a subtle way and show to their own satisfaction that the inconsistency is only apparent; that both the sages were inspired and incapable of committing any error and that they do not contradict one another. Their interpretation will not satisfy a real searcher after truth, and he will like to use his own judgment to see what the real meaning of the text is. I shall give only one instance. In one of the Smritis there is a text, *vyabhichara dritan shudhih*.

This in plain language means that a woman is free from the taint of adultery after her monthly sickness. But this is in direct conflict with many texts which prescribe dire punishment for such a wicked sin. A Mimansak interpreter explains that the sin was not carnal but only mental. But what sensible woman would ever admit that she loved any one more than her husband and she desired to be unfaithful to him? So all mental sins do go unpunished by any mundane authority and the interpretation although very ingenious is not the correct one. I do not intend to condemn the Mimansa school. They have established many sound canons of interpretation. But they carry certain things to an absurd length such as the dictum that all Smritis are consistent and ought to be accepted.

Although I for myself would not be deterred in my efforts at social reform by the production of texts condemning the reform and would not base my efforts on the support of such texts I shall like to deal with the arguments brought forward in this House by Members who have opposed the motion. In the opinions elicited from leading gentlemen many have based their opposition on the ground of divorce being prohibited by religion. It is necessary therefore to consider this question in some of its important aspects.

The main argument of the opponents of this Bill and of any attempt at marriage reform is that the Hindu marriage is a sacrament and not a contract. This assertion is hurled at the heads of reformers in season and out of season. Every one generally has repeated it more than once and in the opinions almost every adverse opinion mentions it and bases its opposition on it. I myself am a sceptic about it and shall like to examine it briefly.

In this connection distinction is made between marriages in approved forms and in unapproved forms. The question I would like to ask is whether marriage in any form is a sacrament or only those performed in the approved forms are sacred. Those who take the latter view admit that all Hindu marriages are not sacraments; but only some of them are. The others then fall under the category of contracts. To a Brahmin the *Asur* is an unapproved form of marriage. But almost all marriages in which the bridegroom is above forty, a price for the bride is usually to be paid. It is evidently an *Asur* marriage, and it cannot be turned into a *Brahma* one by using the ceremonial of the latter. One of the Smritikars says: A woman purchased by the payment of bride-price cannot be called a wife. She cannot take part in rites for pleasing either

the gods or the *pitris*. Inspired men know her as a slave. The question arises whether such a marriage is a sacrament.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): May we not take this long essay as read, Sir?

Mr. B. V. Jadhav: Yes, if it is in the hands of everbody else, but as long as it is not so distributed, it cannot be taken as read.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order: I think the Honourable Member's interruption really indicates that the House is getting tired by the inordinately long speeches that the House has had to listen to on Hindu Shastras, but the Chair is helpless in the matter. This is a subject in which the Honourable Hindu Members of the House take a keen interest and feel justified in making elaborately long speeches. The Chair does not propose to interfere with them.

Mr. B. V. Jadhav: The Courts have recognised that divorce is allowed by custom among the Shudras; and according to the Brahmin view in the country south of the Vindhya mountains all non-Brahmins are Shudras. Their population is over 90 per cent. So do these people say that marriage is a sacrament only among the 10 per cent. of the population consisting of the Brahmins only? Marriage among communities allowing divorce and widow-remarriage cannot by any stretch of imagination be called sacramental. In my part of the country a large proportion of the moffusil vernacular papers are eking out a living from the income they get by the publication of notices from wives to their husbands and by husbands to their wives. Their tenor generally is: "I was married to you about 12 or 15 years ago when I was very young, about 3 or 4 years old. I sometimes went to your house to live. But you had married a widow and both of you did not want me in the house. I have been living with my parents, who are poor and cannot feed me. I have incurred a debt of about 300 or 500 rupees. The *sahucar* is pressing me for payment of the debt". She therefore calls upon her husband to pay the debt and take her away, and that she is willing to live with him. But in case he does not pay the debt she would take his non-compliance with the terms of the notice as a divorce and marry another to pay off the debt. The husband in his reply repudiates the statement and asserts that he will prosecute her and her husband for bigamy. The second marriage may or may not take place; but both the parties do not look upon marriage as a sacrament. I am surprised to know that in the sacred land of Pandit Sen—I quote from the opinion of M. M. Harprasad Shastri, page 19—among the Kurmis of North Behar, if the husband in a distant country does not make any provision for his wife living at home, for three years, she often takes a new man. Are these marriages sacraments?

One may say that in these degenerate days of a foreign government people have become irreligious and have not been keeping the sanctity of marriage. Let us examine what the idea of marriage was in the days of the Mahabharat. There are hundreds of texts in that work in which the modern theory of marriage is quoted with approval. But for me an ounce of practice is worth more than a ton of texts. Jayadratha was a noted king and son-in-law of Dhrutarashtra. When on his way to marry the Princess he saw Draupadi the wife of the 5 Pandavas. She was very beautiful and he desired to take her away. She did not like the proposal and refused to go with him. By force he placed her in his chariot and

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took her away. At this time Maharshi Dhaumya the priest of the Pandavas expounded what was the recognised law of those days. He said that it was not proper for him to carry away a wife before defeating her husband. His plain meaning was that even a married woman may be carried away by force after defeating her husband. The marriage tie was broken by the might of the other man. Evidently at this period marriage was not looked upon as a sacrament. Instances may be multiplied, but it is not necessary to do so.

Now let us see what the practice in the time of Maharaja Chandragupta was. Vincent Smith says about him that he was the first Indian Emperor who more than 2,000 years ago entered into possession of that scientific frontier sighed for in vain by his English successors, and never held in its entirety even by the Mogul Emperors of the 16th and 17th centuries. His Prime Minister was the famous Chanakya or Kautilya who has written an Arthashastra which may be taken to show what the actual practices in those times were. Marriage in those days was not looked upon as indissoluble. Widow marriage was allowed:

"Mrite bhartari kutumbakama nu shvashurpatidatram niveshakale labhet."

When a widow wishes to marry she should get at the time of the second marriage what was given her by her father-in-law and her late husband. At that time a widow could marry a number of husbands one after another. When a woman has sons from different husbands each one of them was entitled to get the *Stridhan* given to his mother by his father:

"Bakupurusha prajanamputranam yatha pitrudatram stridhanamavasthapayet."

But this is not all. The laws of those days also prescribed the circumstances under which a Hindu married woman of all the four classes was allowed to leave one husband and take to another. Kautilya says:

"Neechatvam paradesham va prasthitah rajakilbishi
Pranabhihanta patitah tyajah kleebopiva pati."

One fallen deeply in vice, domiciled in another country, convicted of treason, who threatens to kill his wife, ex-communicated or an impotent may be given up by a wife. Much capital is sought to be made by the opponents of the Bill of the fact that there is no word for divorce, in the Sanskrit language. Kautilya uses the word *Moksha* or release in that sense. He says:

"Amoksha bhartukamasya dwishati bharya
Bharyayashcha bharta, paraspara dveshan mokshah."

A wife or husband hating the other cannot be released if the other does not agree. But if both hate each other divorce should be given. The law of Kautilya was more reasonable than the present English law which refuses divorce for mutual incompatibility.

On the authority of the interpretation devised by the Mimansa school the Honourable Member Pandit Sen maintained that a deserted wife had to be sent to him and did not get a release. We shall see what the law according to Kautilya was:

"Hasva pravasinam shudra vaishya kshatriya brahmanam bharyah samvatsaram kalam akanksheran, aprajatah, savatsaradhikam prajatah, prativihitah dvigunam kalam, aprativihitah sukhavastah vimrityuh, paramchatvari varshani ashtau va jayatah, tato yathadatra madaya vimuncheyuh."

Wives of Shudras, Vaishyas, Kshatriyas and Brahmans who have gone out for a short time should wait for a year if without children, and over a year when they have a child. When provided for they should wait for twice the period. Unprovided for should be fed by their well-to-do relations, but after 4 or 8 years they ought to be released.

When a Brahman goes out to study his childless wife should await for ten years, but one with a child for 12 years:

"Brahmanamadheeyanam dashavarshani aprajatah, dvadasha prajatah."

One is likely to interrupt me by saying that these marriages in which release is allowed must be all in an unapproved form. But Kautilya is clear on the point. Perhaps in his days there were Acharyas and Pandits who were attempting to enslave the woman. He says:-

"Dharmavivahat kumari parigriheetaram anaryay proshitam ashrooyamanam sapta teerthanyakanksheta savatsaram shrooyamanam akhyaya. . . . .tatah param dharmasthah visrishtha yatheshtham vindeta."

For 7 months should a maiden married with religious rites await a husband who has left her without telling her and whose whereabouts are not known; for a year if they are known. . . . After the prescribed period she may marry another one getting a release from law officers. These extracts will show that in the days of Kautilya there was divorce allowed among all the *Varnas* including the Brahmins and there were Judges appointed by the king.

At the present time in the land of Gujrath there is an influential and numerous community whose religion prescribes that they ought not to marry their daughters at times convenient to them; but on a day very auspicious of course, which is declared for that purpose by the priests of a certain temple. This day is fixed at an interval of 9, 10 or 12 years. On that day all girls between the ages of 1 and above upto 12 are hurriedly married. The parents take the precaution of securing a release for their daughters, whom they remarry to the boy or man of their choice after they come of age. These marriages too are called sacramental in the courts.

I ask Rajabahadurs and Pandits whether these marriages are not Hindu marriages; and whether they can call them sacraments. These are severed not only by the death of the husband but even during the lifetime of the husband for some reason or other. The marriage in the Mahabharat and Chandragupta days was more reasonable and the idea of a sacrament was not attached to it. It is a later development, introduced by those who wanted to enslave the woman. Hindu marriage is complete and irrevocable according to our Pandits when the bride walks 7 steps with the groom. At every step he promises her happiness, prosperity, children, wealth and so on. At the seventh he says "be my friend through life":

"Sakha saptapadi bhava."

It is a noble ideal indeed, and I am proud of it. The wife as a friend is an absolute equal with her husband with equal rights and responsibilities. If a husband is free to marry again on the death of his wife the latter too must be free to do what she likes. The ideal of monogamy is set there. But selfish man has made a travesty of religion and is oppressing the weaker sex. Pandit Sen tried to enlighten this House by quoting from the opinion of Harprasad Shastri. He bases his argument on the meaning

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of the *Mantras* recited at the time of the celebration of the marriage. But one has to remember that the girl married is very young, under 12 according to the strict observance of the religion as understood by the Brahmins of the South. She is rarely educated. Properly speaking the *Mantras* are to be repeated by the bridegroom and addressed to the bride. They are in a language which is not properly understood by the officiating priest, much less by the parties to the marriage. And the repetition of the *Mantras* creates, it is said, a sacrament.

I have tried to show that the idea of marriage being a sacrament is later development. It was not known in the days of Kautalya. The majority of the Hindu masses do not look upon marriage as indissoluble. The Bill is supported by Narad, Parashar and Kautalya texts. It is a moderate one and ought to be accepted by this House.

I was really surprised, Sir, to see some of the Pundits here getting support or drawing support from Judge Lindsay and some of the divines of the West, especially of the Roman Catholic Church. They say birds of the same feather flock together, and I am not at all surprised that the Pundits in this part of the country are drawing support to their aversion to divorce from the practice of the Roman Catholic Church. To call in the assistance of Judge Lindsay was really very humorous. Judge Lindsay does not condemn divorce at all but he goes even further and his doctrines are being discussed by young men and young girls in colleges in India nowadays.

I may point out, Sir, that one of the arguments that has been put forward in this House and quoted with approval by some Honourable Members was the opinion of Mr. Manmatha Nath Mukherji. He says that if this Bill is passed into law, untold miseries will follow, the happiness of Hindu houses will be broken and there will be grief and separation everywhere. Does he mean to say that there are thousands of women who are just waiting for this Act to be passed so that they may take advantage of it? If the Honourable Members have at the back of their minds the fear that many women will sue for divorce and in that way the peace of the households will be disturbed, then I submit that this in a way supports the need for such a measure. But if they really think that the Bill is not wanted by the country and that there will not be many such cases which will come before the courts then I do not think why they need take the trouble of opposing the Bill, because it will not disturb the Hindu society at all. The Bill as presented to this House is not against Hindu law. It has been stated that the Hindu State of Baroda has passed such a measure, and that is a very sure sign that it is not looked upon as against religion at all.

The previous speaker has appealed to the Treasury Benches to come to his assistance to throw out the Bill. I shall simply say that if Government is not prepared to support the Bill and if they think that it is for the Hindu people themselves to say whether they do want a measure of this kind or not, it will be proper for them to remain neutral and allow the Members of this House to decide whether it is wanted or not, whether it is premature or timely and whether women should be given relief.

An Honourable Member: Only the Hindu Members?

Mr. B. V. Jadhav: I shall say all the Hindu Members, but I consider my Muhammadan friends also Hindus as they live in Hindusthan.

Sir, I whole-heartedly support this Bill.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I as a Muhammadan would retrain from voting on any side on this Bill. I do not want to interfere with the religious ceremonies or religious usages of the Hindus. I do not think that it is right and proper for any Mussalman to come forward and give help to one side or the other in such matters when it is not really required by the Hindu public. But I have been approached by several Hindu Members that I should express my opinion and lend as much support as I can to this Bill. This was probably because I have been consistently from the very beginning of the present Indian Legislature supporting measures of this nature as they came up before this House. I lent support to Sir Hari Singh Gour's different Bills from 1921 up to now, and I think any measure which brings some kind of relief to the oppressed classes of any community should be supported from all quarters. If I were convinced that this Bill really interferes with the Hindu religion, I would be the last person to open my lips on this occasion; but I think the case has been very well made out by the different speakers that it does not interfere with the Hindu religion but it only interferes with a custom which has prevailed for many years and which has been accepted by practically the ignorant classes as their religion. I must con-

1 P.M. gratulate my friend, Mr. Jadhav, on the very eloquent and very good speech to which he has really given great attention and he has quoted a lot of Sanskrit authorities. In this Bill I think there is only one principle which I can support and that principle is that some kind of relief must be given to women when they find that they have been really not treated as they ought to have been treated by their parents in whom really the responsibility lies for giving them in marriage. There are many parents who do not consider at all the interests of the young girls when they give them away in marriage to men. They have got different notions; they have got their own interests; they have got such kind of ideas which really conflict with the ideas of the girl herself; and that used to be the practice, although I am glad that it is dying out that a man of 60 years or 65 years used to get married to a girl of 10 or 12, or even less. Such cases have occurred and they have been reported in the papers and in many law courts. If that be the case of the society and if it be the case which is prevailing in the public that Hindus are prepared to ignore the rights of their children like this, that they are ready to give away their small daughters to old men in this way, then certainly if a voice comes from any aggrieved person or a man who takes sympathy for such girls, then he deserves a great deal of support even from those people who are not really wanted to give support on such occasions. I think that what this Bill aims at is that if the parents were not really careful in choosing a husband for their daughters—because a woman has got no power to contract her own marriage, she doesn't know probably the man to whom she is going to get married and she never sees him and the man himself does not know her and the marriage is arranged by the intervention of a *nai* or barber who goes about and takes a message that this is the girl who is to be married to somebody else and probably the parents of the girl do not know the future husband of their daughter—then certainly it is but right that a certain kind of remedy should be given to those women who think they have been placed in a condition which really requires redress . . . . . .

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): What is this barber business? I do not understand.

Mr. Muhammad Yamin Khan: Probably my learned friend does not know: but that is the custom prevailing in the North of India. (*Cries of* "No" and "Yes".) It is the barber who takes the message . . . . .

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Do you know the story of Nala and Damayanti? Where was the barber there?

Mr. Muhammad Yamin Khan: I do not know very many of the customs that prevail in different parts of the country. But from what I know from my little experience, so far as these marriages are concerned, this is how they are arranged. If my learned friends will allow that I am not going to interfere really with any usages; but what I want to point out is even if it is not done by a barber but by a learned Brahmin, it is all the more sorrowful that a learned Brahmin should go about and arrange such kind of marriages. I would rather give latitude to a barber, but I cannot extend the same latitude to a learned Brahmin. If that is . . . .

Diwan Bahadur T. Rangachariar: It is a gross calumny on the parents to say that they do not take care of their children.

Mr. Amar Nath Dutt: It is a libel which is privileged within the safe precincts of this House.

Mr. President: Would it not be better for the Honourable Member to restrict himself to the motion before the House and not refer to Hindu customs in general?

Mr. Muhammad Yamin Khan: I know that in many other religions this divorce was not allowed, and I know that as far as the Christian religion was concerned this was not allowed; but after some time when the demand came from the advanced community and when the law was made by men, who came as representatives, this law of divorce was allowed. In this case, as far as religion is concerned, I have got nothing to say; it is for my Hindu friends to say or not; but I only know that there are grievances and there are grievances of women. That is my personal experience, because as a legal practitioner I have come across many cases where I have found that really injustice has been done to women; and in that case when I am living in India I have round about me many Hindus living and I know their feelings and it is not only for the Hindu Members that they must speak about Hindu feelings; I know about the Hindu feeling as much as any Honourable Member in this House is expected to know about the Hindus. That is the feeling. If a law is made by men, it is not right that men should insist that they should be the law-makers and they should not allow women to have any voice, and if the women-folk come forward now and say that their rights should be safeguarded, if they want their voice to be heard in matters affecting their future, then certainly that voice must be heard and consulted; and if a grievance has been made out by my Honourable friend the learned Mover of this Bill, or by my learned friend, Mr. Jadhav, and other supporters of the Bill, then I certainly think that the voices of the women, who are really the persons

going to be affected by this law, should be allowed to be heard and should be allowed to prevail; and it will be right that it is left entirely to them whether they want to have a law of this kind or not, and whether they should be allowed divorce or not. I think the motion moved by my Honourable friend for re-circulation is a proper motion, and I will support it, although if it had been for reference to Select Committee, I would have refrained from voting or interfering at all. But when it is going to be re-circulated in order to elicit the views of the Hindu women, I think this House will not be justified in not lending full support to it and stopping from receiving the views of those who are really affected by this Bill. With these words, I support the motion for re-circulation.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Honourable Members will have seen that on the Order Paper today there is notice of an amendment from four Honourable Members of whom two have already spoken on the subject; that amendment is that further consideration of the motion be adjourned *sine die*. It has been repeatedly ruled that such motions are of a dilatory character, and that they can only be moved at the discretion of the Chair. On the present occasion there is no difficulty in deciding the issue, because an amendment for recirculation which is also of a dilatory nature has already been moved; and the Chair therefore does not propose to allow another dilatory amendment to be moved.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): Sir, I have a very high regard for the great merits of my friend Sir Hari Singh Gour and I appreciate his earnestness for the cause of amelioration of the Hindu society, but I feel it my duty to oppose his present motion. Much of the earlier portion of the debate was carried on from the point of view of the Shastras, as to what the Shastras say about marriage and about the dissolution of marriage. Both sides have produced evidence in support of their contention. I think, Sir, it is possible to produce quotations favouring one view or other regarding this question. Therefore, I feel that I should try and take this debate out of the plane of religion. I do not think the Smrithis have the same position as the religious scriptures of the Hindus. Smrithis are law books made by men, and if the Smrithikaras or the authors of these codes had the right to make those laws, we, as legislators of the Hindu community, have the same right to exercise that power. Leaving this question aside for the moment, I want to say one more word. I am not an orthodox man. I do not oppose this Bill from the orthodox point of view, on the contrary I believe in special reform and I will go one step further and say that I want Hindu society to be reconstructed on a new basis; the Hindu system of marriage is no doubt one of the main foundations of the Hindu society. Well, Sir, I would take this question away from the field of religion and try to examine it on a different ground to which reference was made by my Honourable friend Mr. Joshi, that is, from a rational point of view. I would divide human society into two classes. As we find mankind is divided on this question; there is a class of society which bases its social system on divorce, while there is another class which does not permit divorce; the Hindu society belongs to the latter and believes in marriage as a sacrament, and it does not allow, whether by custom or in obedience to the laws of the scriptures or Smrithis, the re-marriage of women.

[Bhai Parma Nand.]

much you may ridicule it now, cannot be judged by the standard of morality of these days. Those, who permitted this, did not think that a woman was simply an object of enjoyment. They believed that the most sacred duty of woman was to be a wife and mother and that could only be done by her getting a child. Personally I treat this practice of *niyog* as an exception. At the worst you can call it misbehaviour on the part of the wife. But don't we find so many wives not keeping faith to their husbands for various such reasons, if that be so, where is the harm in a wife getting a child through another man, with the sanction of the husband? Whatever you may think or say about it, the fact remains that the ancient Hindus did not allow dissolution of marriage though for such exceptional cases they allowed *niyog*. I think, Sir, the custom of *sati* too is another proof. We now think that *sati* was a ridiculous and barbarous custom. In its origin however it was not so. Even now I know of cases of young wives who could not tolerate the idea of separation from their husbands and who voluntarily preferred death to living after their husbands' death. This is the instinct of a faithful young wife and to this is due the origin of the practice. Later on corruption set in and wives were forced to burn themselves along with their dead husbands. Many innocent girls were made victims of this evil practice. But it is to be noted that it is wive's instinct that she cannot tolerate the idea of being a polygamist. She has lived with one man, she has loved him with all her heart and it is not possible for her to transfer that love and affection to another man even after his death. This was the ideal that was before the *satis* and it was this which induced them to burn themselves in the funeral pyre of their husbands.

Now I come to another point, namely, the widow remarriage. My point is this that the Hindus who don't allow a widow to remarry another time, how could they allow dissolution of marriage in order to allow a wife to marry again. In this matter I have some experience of the trend of public feeling. Personally, I am in favour of widow remarriage. In the course of Hindu Mahasabha meetings and on other occasions we have had it approved very often by thousands of people, but at the same time I must confess that they were so afraid of the public opinion outside the meetings that they would not have the courage to translate their views into a comprehensive resolution. Widow remarriages do take place, the idea is gaining ground every day, but Hindus would not allow this fact to assume the shape of an open resolution on the part of any public meeting. I think the first essential step on the road to social reform would be to train Hindu society in the idea. There will come a time when we will be in a position to judge whether the Hindu society is prepared to take another further step.

In conclusion I want to point out clearly that in my view, this Bill is not a measure of social reform, but rather a measure of social destruction; therefore I would most respectfully ask the Leader of the Nationalist Party to withdraw this Bill altogether. I am definitely in favour of social reform, but to change the basis of Hindu society altogether from "no divorce" into that of "divorce" is a thing which the Hindu society at the present stage cannot even dream of.

The Assembly then adjourned for Lunch till Twenty Minutes to Three of the Clock.

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

Mr. Amar Nath Dutt: Sir, after the long speech of our friend from Bombay, I feel that . . . .

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, there is no quorum.

(The bell rang.)

Mr. President: Order, order: As there are only 21 Members present, the House will adjourn till Monday, the 22nd February, at 11 o'clock.

The Assembly then adjourned till Eleven of the Clock on Monday, the 22nd February, 1932.

[Bhai Parma Nand.]

There are certain animals and also certain species of birds which live in pairs. According to the Hindus, marriage is permanent companionship, and when a man and woman are once married, they are united in an indissoluble union.

An Honourable Member: You want to compare us with animals? (Laughter.)

Bhai Parma Nand: This is really an animal instinct, and we find it displayed in certain animals and birds. According to the law of evolution, we find that man has develcped many of his instincts from his animal ancestors. It is those very instincts which are the foundations of the primitive morality in human society. Similarly by the study of socio logy, you will find that most of the customs and usages of mankind have been founded on those instincts as they have come to us from the animal kingdom. Again, Sir, man is a social animal. If we have to live in society, we cannot but be bound by certain rules of society; if we want to live in perfect freedom without caring for society, we shall have to run away to the jungles and live there as we like; as long as we live in society we have to observe the customs on which our society has been founded.

My point is this. My friends Messrs. Jadhav and Joshi have urged that we should try to examine the question from the point of view of utility. They have however not been able to show wherein lies the necessity for divorce. As I said before, there are two classes of society, one favours divorce and the other does not; if we examine both these forms of society, we will find that there are good as well as bad points in both. One society has got accustomed to one kind of usage and the other to the other kind. I do not understand the reason or the necessity of bringing in divorce and introducing this change in the former simply for the sake of imitation. It is urged that there is necessity for this change in order to ameliorate the condition of women. I quite realise there are certain cases in which Hindu women are maltreated, and it is a very commendable idea to find out a solution for their difficulties. At the same time I may point out that in societies which allow divorce you will find such cases of misery and trouble in far greater number. You may change a custom, but by doing so you won't be able to improve the condition of every member of the societv. By trying to remove the trouble of a few, you will be courting trouble for many. Let us take the case of the evil of poverty. We know under the modern economic conditions of our society, there are millions of people who live on the verge of starvation. There are so many among us who cannot get even one meal a day, but can we find out any magic rule which as if by one stroke can change all this and remove the misery existing in mankind? Similarly whatever custom you might like to follow or whatever custom you might hold up as the ideal, you will always find some individuals at least who will suffer from the evils arising out of it. For that simple reason, you cannot take away all the restrictions which society has imposed upon us.

Then there was the question of freedom; it was said we should give freedom to everybody. As I said before I say again that we are social beings, and if we are to live in society we cannot have perfect freedom and do whatever we wish to do. We must be bound by certain rules and restrictions. Man naturally is inclined to fall a victim to many vices,

but it is mostly the pressure of society, the pressure of the social customs enjoined by society that keeps him under check and in proper discipline. Therefore, complete freedom is an impossibility.

Then, Sir, my Honourable friends Messrs. Jadhav and Joshi went further. They were not satisfied with this measure as being only of a permissive character to be made applicable only to certain cases. They wanted that divorce should be permitted whenever a woman wished to be free from bondage. They think that that will be a final solution for the evils that exists in our society at present. But, Sir, it should not be forgotten that if you allow this freedom to wives, you will also have to give the same privilege to husbands. What would be the consequences? You will find that most husbands would like to desert their wives. Many people are prevented from doing so on account of the social fear; but when they begin, in this poor country you will find millions of women without any support and protection and there would be far greater misery and unhappiness than there is now.

Another point has been raised, why a man is allowed to marry two or three times, and the same right is not given to women. To answer this question, we have to go to nature. We find in the animal kingdom that the male is a polygamist while the female is a monogamist. This is the reason why a female does not wish to go to a second male. We find it among animals, that once the sexual desire of female is satisfied, she is not stirred to go to male again. But the condition of male is different. So in the case of men, if one is not satisfied with one wife, he can have another. There is no limit to his nature. But with regard to woman, she does not want to have another husband. It is not in her instinct. It is for this reason that a woman has got strong and most faithful love for her husband, while the same kind of love and affection is not expected from the husband.

It was said that this measure is only permissive not compulsory. It may be so, but if you allow this thin end of the wedge, you do not know where the process will stop. In a short time you will be changing the entire basis of society.

Again my Honourable friend Mr. Jadhav was quoting instances of cases where marriage was not held a sacrament. There may be certain such cases but they have to be taken as mere exceptions. We have to see what the established custom of the society is, which has continued for ages. We have to take it as a fact that even in the olden days in India, a woman was not allowed to have a second husband. My learned friend Dr. Gour says in his statement of the Bill, that a second marriage was not permitted, but in its place *niyog* was allowed in the three exceptional cases, which he has made the chief grounds of his Bill. Now, *niyog* was a custom by which a wife, if her husband was unfit to produce a child, could seek another man's help to produce an issue. (Laughter.) It is not a matter for laughter. The point is rather deep. According to the Hindu idea of marriage womanhood could not be separated from motherhood. A woman must have a son or issue by the husband. If the husband was unfit to produce a child, what was the alternative? One was as is proposed, the dissolution of marriage. This they did not tolerate. The other alternative was *niyog* by which a woman had an issue through another man, with the permission of the husband; but she could not marry this other man. This custom of *niyog*, however

LEGISLATIVE ASSEMBLY.

Monday, 22nd February, 1932.

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

QUESTIONS AND ANSWERS.

VIOLATION BY THE CONGRESS OF THE IRWIN-GANDHI PACT.

417. ***Kunwar Hajee Ismail Ali Khan:** Will Government kindly lay on the table the full facts and figures as to how the Indian National Congress violated the Irwin-Gandhi Pact?

The Honourable Sir James Crerar: I lay on the table copies of the following documents† :

(1) A statement issued by the Government of the United Provinces on the 14th of December, 1931.

(2) Statements issued by the Chief Commissioner of the North-West Frontier Province on the 24th and 30th of December, 1931.

(3) A statement issued by the Governor General in Council on the 4th of January, 1932.

(4) Reports received from other Local Governments.

I should like to make it clear that the material contained in these documents is not exhaustive.

USE OF WAITING ROOMS BY TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

418. ***Khan Bahadur Haji Wajihuddin:** Is it a fact that Travelling Ticket Examiners are debarred by the Chief Operating Superintendent, East Indian Railway, from occupying the waiting rooms in railway stations even in places where no other accommodation is available?

Sir Alan Parsons: Government have no information. I am, however, bringing the Honourable Member's question to the notice of the Agent, East Indian Railway, for such action, as he may consider necessary.

†The statements were distributed to all Honourable Members and also placed in the Library of the House. They were originally published as follows :

(1) In the United Provinces Gazette dated the 19th December 1931.

(2) The statement dated 24th December, 1931 was not published; that of 30th December was published in the North-West Frontier Province Gazette dated 28th December, 1931.

(3) In the Gazette of India Extraordinary dated 4th January, 1931.

(4) These were not published.

ADJUSTMENT OF COMMUNAL INEQUALITIES IN THE INDIAN MEDICAL SERVICE.

419. *Lieut.-Colonel Sir Henry Gidney: (a) Will Government please state whether in the selection of candidates in India for the Indian Medical Service any provision is made to adjust communal inequalities as obtains for all other higher services?

(b) If the answer to part (a) is in the negative, are Government prepared to consider the advisability of introducing such provision in future selections for the Indian Medical Service? If not, why not?

Mr. G. M. Young: (a) The answer is in the negative.

(b) The answer is also in the negative. The Government of India consider that selection for this service should be governed by professional ability and aptitude, rather than by considerations of religion.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House whether it is not a fact that the same principle applies to all Government services and notwithstanding that principle, communal inequalities in such appointments are adjusted by allotting one-third for minority communities?

Mr. G. M. Young: I am not in a position to answer about all Government services. I have given the answer as regards this particular service.

Lieut.-Colonel Sir Henry Gidney: Will some responsible Government Member answer whether this is the policy underlying selection of all candidates to superior Government services?

The Honourable Sir James Crerar: I think that hardly arises. But the general policy of Government on this subject has been explained in this House on numerous occasions to which I would refer the Honourable and gallant gentleman.

PAY AND ALLOWANCES OF THE INDIAN STAFF OF THE OFFICE OF THE HIGH COMMISSIONER FOR INDIA.

420. *Lieut.-Colonel Sir Henry Gidney: (a) Will Government please state whether it is a fact:

(i) that the overseas pay of the Indian staff of the office of the High Commissioner for India has been reduced by 5 per cent;

(ii) that the European staff of the office of the High Commissioner for India are in receipt of various allowances and a cost of living bonus;

(iii) that the Indian staff of the office of the High Commissioner for India are denied these allowances as also the cost of living bonus; and

(iv) that the allowances of the European staff of that office have not been reduced?

(b) Do Government propose to consider the desirability of—

(i) restoring the cut of 5 per cent. on the overseas allowance of the Indian staff; and

(ii) granting the Indian staff of that office the cost of living bonus?

The Honourable Sir George Rainy: (a) (i). The reduction varies in each case according to an officer's total emoluments. 5 per cent. is the maximum reduction.

(ii) and (iii). The facts are not as stated. Indian members of the High Commissioner's staff are in exactly the same position as the European personnel in respect of the cost of living bonus. No other allowance is given except for special work. Members of the staff who are of Indian domicile, however, and whose basic pay does not exceed £400 a year, receive an overseas allowance of £50 a year and are to that extent more highly paid than the European personnel of corresponding status.

(iv) No. A uniform reduction has been made in the cost of living bonus of all members of the staff who are in receipt of it.

(b) (i). No.

(ii) Does not arise.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member state whether it is not a fact that it is the intention to stop the overseas allowance for Indian domiciled employees in the High Commissioner's Office and whether in other cases it has been reduced? If so, will the Government please enquire into the matter?

The Honourable Sir George Rainy: I have no information to that effect.

Lieut.-Colonel Sir Henry Gidney: Will the Government get the information on the matter?

The Honourable Sir George Rainy: I think the Honourable Member is utilising a supplementary question with a view to communicate rather than receive information.

MORTALITY AND SICKNESS IN THE BRITISH ARMY IN INDIA.

421. *Lieut.-Colonel Sir Henry Gidney: (1) Will Government please state whether it is a fact:

(a) that the death rate in the British Army in India since 1900 has fallen from 14·6 per thousand to 2·78 per thousand in 1930;

(b) that the admission rate into hospitals of British ranks has fallen from 840 during the period 1904-08 to 617 during the period 1920-30;

(c) that the number for whom nursing attendance is provided, *i.e.*, British troops, women and children has been reduced by over 20,000 since 1922; and

(d) that the number of British Military Hospitals has been reduced and that the number of beds has been reduced from 8,684 in 1922 to 5,723 in 1931?

(2) Is it a fact that there has been a marked improvement in mortality and sickness in the British Army in India, a general reduction in the other departments of the medical services attached to the British Army in India and a reduction of British troops and the number of beds in hospitals?

(3) Is it also a fact that the number of nursing sisters has increased from 94 in 1914 to 224 in 1931?

Mr. G. M. Young: (1) The figures given by the Honourable Member are substantially correct.

(2) Yes.

(3) Yes, Sir. The medical standards of the present day are not those of 1914. The great improvement in the health of the Army, to which my Honourable friend has drawn attention, is due in no small measure to more and better nursing.

Lieut.-Colonel Sir Henry Gidney: Arising out of the reply will the Honourable Member state if it is not a fact that prevention of diseases in the Army in India does not form part of the training of nurses employed in British Army hospitals?

Mr. G. M. Young: I think that good nursing forms a very important part of the treatment of diseases, if not their prevention.

Lieut.-Colonel Sir Henry Gidney: My question referred to the "prevention" and not the "treatment" of diseases.

NURSING SISTERS IN BRITISH FAMILY HOSPITALS.

422. ***Lieut.-Colonel Sir Henry Gidney:** Will Government please state whether they intend to accept the recommendations of the Army Retrenchment Sub-Committee on the question of the recruitment of Q. A. M. N. S. and issue orders:—

(*a*) to stop the replacement in British family hospitals of locally recruited matrons by sisters of the Q. A. M. N. S.;

(*b*) to staff all British family hospitals with locally recruited matrons; and

(*c*) to revert Q. A. M. N. S. sisters so employed to duty at British military hospitals?

Mr. G. M. Young: (*a*), (*b*) and (*c*). Government cannot see their way as yet to replacing the British nursing service throughout by Anglo-Indian and Indian nurses. They have, however, abandoned the scheme of substituting lady nurses of Queen Alexandra's Imperial Military Nursing Service for locally recruited matrons in all British family hospitals. They consider it necessary for administrative reasons to post lady nurses to family hospitals in certain large stations.

NURSING SISTERS IN BRITISH FAMILY HOSPITALS.

423. ***Lieut.-Colonel Sir Henry Gidney:** (*a*) Will Government please state whether all the sisters of the Q. A. M. N. S. at present in charge of British family hospitals have undergone training in maternity?

(*b*) If the answer to part (*a*) be in the negative, will Government please state:

(i) how many of them are so trained, and

(ii) how many of them are not so trained?

Mr. G. M. Young: (*a*) and (*b*). There are 20 military family hospitals where no civilian matrons are employed. At 17 of these the lady nurses hold the Central Midwifery Board qualification. It is proposed to post fully qualified nurses in the remaining three hospitals as soon as practicable.

EMOLUMENTS OF MATRONS AND NURSES IN BRITISH FAMILY HOSPITALS.

424. ***Lieut.-Colonel Sir Henry Gidney:** (*a*) Will Government please state whether it is a fact:

(i) that the duties performed by the sisters of the Q. A. M. N. S. and the locally recruited matrons employed in the British family hospitals are identical in nature; and

(ii) that the sisters of the Q. A. M. N. S. are in receipt of salaries three times those received by the locally recruited matrons *besides* other allowances denied to the latter class of servants?

(*b*) Do Government propose to consider the advisability of removing disparity in emoluments of two classes of servants performing identical duties?

Mr. G. M. Young: (*a*) (i). Technically, the duties are identical in nature; but I am informed that a lady nurse with British qualifications and experience is far superior to a civilian matron.

(ii) Yes.

(*b*) The question whether the emoluments of civilian matrons should be increased will be taken up when the financial situation improves.

RAILWAY ACCOUNTS EXAMINATION.

425. ***Mr. Muhammad Muazzam Sahib Bahadur:** Has the attention of Government been drawn to an article under the heading "Railway Accounts Examination" published in the *Pilot* of Lahore of the 10th August, 1931 and, if so, will Government be pleased to state:

(*a*) how many candidates appeared in the last Appendix D Examination held by the Controller of Railway Accounts and how many of them were Muslims;

(*b*) what the communal composition of the successful candidates was and how many posts were reserved to redress marked communal inequalities as required by the Railway Board's Circular letter No. 5565-F.; and

(*c*) whether any answer paper was examined by a Muslim examiner and, if so, how many Muslims passed in his paper?

Sir Alan Parsons: Government have seen the article referred to. At the Appendix D examination held in November 1930, 111 candidates appeared, of whom 12 were Muslims; and 18 candidates passed the examination, of whom two were Muslims, one was a Sikh and 10 were

Hindus. The examination is a departmental examination for persons already in the Railway Accounts Service and no recruitment is made as a result of it. The question of reserving posts to redress marked communal inequalities does not, therefore, arise in connection with this examination. Actually there were Muslim examiners in two subjects, but I must emphatically repudiate the assumption underlying part (*c*) of the Honourable Member's question that the results of the examination depended in any way on the community to which the examiners belonged. In answer papers only roll numbers are given and examiners are not aware of the identity of examinees.

ALLEGATIONS *RE* NON-APPOINTMENT OF MUSLIMS IN GOVERNMENT SERVICES.

426. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Has the attention of Government been drawn to an article "How Muslims are kept out" published in the *Pilot* of Lahore of the 25th August, 1931?

(*b*) If the reply to part (*a*) is in the affirmative, will Government be pleased to state whether steps have been taken to remedy those allegations?

The Honourable Sir James Crerar: (*a*) and (*b*). I have seen the article referred to. So far as direct and permanent appointments in the Secretariat and Attached Offices are concerned they are made through the Public Service Commission—and in respect of these the charges are quite unfounded. I may say, however, that the Commission are always prepared to investigate any specific allegations from a responsible quarter. As regards other appointments, while I should be prepared to have enquiries made if specific instances are cited, I cannot undertake to make an enquiry on the basis of general allegations of this character.

OFFICE HOURS IN GOVERNMENT DEPARTMENTS.

427. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Is it a fact that the office hours for all Government Departments including the Posts and Telegraphs Department are either 10 A.M. to 4 P.M. or 10-30 A.M. to 4-30 P.M.?

(*b*) What are the office hours for the offices subordinate to the Railway Board and Financial Commissioner of Railways?

(*c*) Is there a proposal to alter the office hours for all departments of the Government of India Secretariat?

The Honourable Sir James Crerar: (*a*) The office hours in the Government Departments, including the Directorate of the Posts and Telegraphs Department, are from 10-30 A.M. to 4-30 P.M. except in the Army Department and Army Headquarters where the hours are from 10 A.M. to 4 P.M.

(*b*) The office hours are 7 hours a day for five days in the week, with a half hour's recess, making 6½ hours net, and on Saturdays 4 hours, no recess being granted.

(*c*) The suggestion of the General Purposes Sub-Committee of the Retrenchment Advisory Committee for extending, if necessary, office hours in appropriate cases as a measure of retrenchment in expenditure is now under consideration.

REPORT OF MR. K. M. HASSAN, OFFICER ON SPECIAL DUTY, RAILWAY BOARD.

428. ***Mr. Muhammad Muazzam Sahib Bahadur:** Will Government be pleased to state when the report of Mr. K. M. Hassan, Officer on Special Duty, Railway Board, is expected to be circulated to the Members of this House?

Sir Alan Parsons: I lay a copy of the Report on the table. Copies have already been placed in the Library of the House.

Dr. Ziauddin Ahmad: Will Government be pleased to send a copy to all the Members of the Assembly, if possible?

Sir Alan Parsons: Certainly, Sir. I will see that that is done immediately.†

APPOINTMENT OF STAFF OFFICERS ON INDIAN RAILWAYS.

429. ***Mr. Muhammad Muazzam Sahib Bahadur:** Will Government be pleased to state how many Muslims and how many Hindus have been posted as staff officers on Indian State Railways and in the offices under the control of the Financial Commissioner of Railways in the years 1930-31 and 1931-32?

Sir Alan Parsons: The information available shows that in December 1931 out of 48 posts of this nature seven were filled by Muslims as compared with three posts out of 52 in December, 1930.

APPOINTMENT OF MUSLIMS IN THE ELECTRICAL BRANCH, AGENT'S OFFICE NORTH WESTERN RAILWAY.

430. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Has the attention of Government been drawn to an article under the heading "Muslims in Electrical Branch, Agent's Office, North Western Railway" published in the *Pilot*, dated the 25th October 1931?

(*b*) If the reply to part (*a*) is in the affirmative, will Government be pleased to state what steps, if any, are being taken to safeguard the rights of the Muslims?

(*c*) What rules, if any, are prescribed for recruitment in the Stores and Electrical Branches in the State Railways?

Sir Alan Parsons: (*a*) Government have seen the article referred to.

(*b*) Government do not consider that any special action on their part is called for.

(*c*) Rules for recruitment to the Store-keeper group in the Stores Branch are included in the Rules for the Recruitment and Training of Subordinate Staff on State-managed Railways, a copy of which is in the Library. There are no special rules for the recruitment of subordinate staff in the Electrical Branch, but the general orders of the Government of India in regard to the representation of communities apply.

†The report was distributed to all Honourable Members.

TRAFFIC INSPECTORS, STATION MASTERS AND ASSISTANT STATION MASTERS ON THE NORTH WESTERN RAILWAY.

431. ***Mr. Muhammad Muazzam Sahib Bahadur:** Will Government be pleased to state the number of Traffic Inspectors, Station Masters and Assistant Station Masters in the European grade on the North Western Railway? What is the communal composition in regard to these appointments?

Sir Alan Parsons: Government regret that they are not prepared to supply figures of communal representation regarding individual offices or classes of establishments, but I would point out that none of the posts referred to are reserved for Europeans.

PERCENTAGE OF MUSLIMS EMPLOYED ON STATE-MANAGED RAILWAYS.

432. ***Mr. Muhammad Muazzam Sahib Bahadur :** (*a*) Has the attention of Government been drawn to an article "Assurance to Muslims" published in the *Pilot*, dated the 10th December, 1931?

(*b*) If the reply to part (*a*) is in the affirmative, will Government be pleased to state whether the assurance held out by His Excellency the Viceroy in the course of his reply to an address presented by the Muslim Association, Delhi, has been kept in so far as the railways are concerned?

(*c*) What was the percentage of Muslims on the State-managed railways as a whole before the retrenchment began and what is the percentage of Muslims at the present time and what special measures, if any, have been taken to maintain the percentage of Muslims at the same level?

(*d*) What was the percentage of Muslims in Railway Accounts offices before retrenchment and what is it now?

Sir Alan Parsons: (*a*) Yes.

(*b*) The instructions issued to State-managed railways were that all practical steps should be taken to see that the unfortunate necessity for reducing staff did not operate to the detriment of communities not at present adequately represented in the railway services.

(*c*) and (*d*). The latest information for State-managed railways as a whole is contained in Appendix C of Volume II of the Report by the Railway Board on Indian Railways for 1930-31 which shows the number of servants of all races employed on each railway system at the close of the years 1929-30 and 1930-31.

MUSLIM GRIEVANCES IN THE RAILWAY AUDIT AND ACCOUNTS DEPARTMENT.

433. ***Mr. Muhammad Muazzam Sahib Bahadur :** (*a*) Has the attention of Government been drawn to an article "Railway Audit and Accounts Department—a Glaring Injustice" published in the *Pilot*, Lahore, dated January the 25th, 1932?

(*b*) If the reply to part (*a*) is in the affirmative, will Government be pleased to state what action, if any, Government propose to take to redress Muslim grievances in the Railway Audit and Accounts Department?

Sir Alan Parsons: (*a*) Yes, by the Honourable Member's question.

(*b*) The transfers and reversions mentioned in the article were carried out in accordance with the usual procedure and involved no discrimination of any kind.

†434.*

LADIES ARRESTED IN DELHI AND CONDITIONS OF IMPRISONMENT IN DELHI JAIL.

435. ***Mr. Gaya Prasad Singh:** (*a*) How many ladies have been arrested in Delhi in connection with the political movement, and the Ordinances; and in what classes have they been placed in the Delhi Jail? Have they been placed in the C. Class? If so, why?

(*b*) Is it a fact that the Delhi Jail is over-flowing with such prisoners of both sexes, and no sufficient accommodation exists for them, nor sufficient bedding and blankets?

(*c*) Is there any truth in the report that there is general discontent among prisoners in the Delhi Jail, which threatens to lead to a hunger-strike? What arrangements have been made by Government to redress their legitimate grievances in the Jail?

The Honourable Sir James Crerar: I have called for a report and will give the House the information when received.

STAFF EM[illegible]D O THE ASSESSMENT AND COLLECTION OF ELECTRIC AND WATER CHARGES IN DELHI.

436. ***Bhai Parma Nand:** (*a*) Will Government please state whether in connection with the transfer of electric and water schemes to the New Delhi Municipal Committee, the work of assessment and collection of electric and water charges will also be transferred to the New Delhi Municipal Committee?

(*b*) Will Government please state the names of the men with length of service employed on the work of assessment and recovery of electric and water charges in the Central Accounts Office on 31st January, 1932?

(*c*) Will Government please state whether the men so employed will also be transferred to the New Delhi Municipal Committee?

(*d*) Will Government please state the names of the men who were employed in the Central Accounts Office on the above work and who have been retrenched with effect from 1st February, 1932? Do Government propose to transfer such men to the Committee? If not, why not?

Sir Frank Noyce: (*a*) Yes.

(*b*), (*c*) and (*d*). The information asked for in regard to the clerks employed in the Central Accounts Office on the 31st January, 1932, is contained in the statement which has been laid on the table. It is for the Municipal Committee to employ their own staff for purposes of assessment

†Question withdrawn by the questioner.

and recovery of municipal dues, and it is understood that the question is under their consideration.

List of clerks employed on 31st January, 1932, mainly on the work of assessment and recovery of Electric and Water Charges.

No.	Name.	Designation.	Approximate period for which employed.		Remarks.
1	Mr. Fateh Chand Jain .	Audito . .	It is not possible to give the exact period for which men were employed on particular duties as their duties have been changed from time to time.		Retrenched.
2	Mr. T. P. Ghosh, B.A. .	Do. . .	Do.	Do. .	Retrenched.
Notes :—The following four men were also partly employed on this work :—					
3	Mr. K. N. Kaul, B.A. .	Section Holder	Do.	Do. .	Retrenched.
4	Mr. Krishna Murty .	Auditor . .	Do.	Do. .	Retrenched.
5	Mr. Hardit Singh .	Do. . .	Do.	Do. .	Retrenched.
6	Harkishan Das Nigam .	Allocation Clerk	Do.	Do. .	Not retrenched.

HAWKING OF MUTTON IN NEW DELHI.

437. ***Bhai Parma Nand:** (*a*) Are Government aware that of late hawkers are seen freely selling mutton in New Delhi?

(*b*) Are such permits given by the New Delhi Municipal Committee indiscriminately and without looking into religious susceptibilities of most of the people?

(*c*) Who is responsible for allowing these hawkers to go about and sell meat?

(*d*) Are Government prepared to take immediate steps to stop such a kind of sale of meat in New Delhi? If not, why not?

Sir Frank Noyce: (*a*) Yes.

(*b*), (*c*) and (*d*). Hawkers are not at present required to take out permits. The Municipal Committee have, however, recently published draft bye-laws which deal, *inter alia*, with the sale of meat, and in regard to which objections and suggestions have been invited.

Dr. Ziauddin Ahmad: May I ask if attention will also be drawn to the nuisance created by pedlars shouting in front of bed rooms and sitting rooms all the day for us to buy their things?

Sir Frank Noyce: I shall be glad to draw the attention of the Municipal Committee to the nuisance complained of by the Honourable Member.

SALE OF BEEF IN OPEN BAZARS IN DELHI.

438. ***Bhai Parma Nand:** (*a*) Are Government aware :

(i) that beef is openly and freely sold in Pahargunj and other bazars of Delhi;

(ii) that there prevails great indignation among the Hindus of the localities for hurting their religious susceptibilities; and

(iii) that Government's declared policy had always been to check one community from interfering with other's religious feelings?

(*b*) If the replies to the above be in the affirmative, do Government propose immediately to stop the open sale of beef and confine it to walled buildings away from the bazars? If not, why not?

Sir Frank Noyce: (*a*) (i). Government are informed that the sale of beef is mainly confined to the five municipal markets specially provided for this purpose. Only 10 other shops have been licensed within the Municipal limits of Delhi in localities which are inhabited by Muhammadans and are not near a municipal market. In Paharganj beef has been allowed to be sold in the municipal market only.

(ii) Government are not aware of any general agitation among the Hindus of the city in regard to the practice which is followed in regard to the sale of beef.

(iii) The declared policy of Government is unchanged.

(*b*) Does not arise.

Mr. Amar Nath Dutt: Are Government aware that beef is forbidden to the Hindus and that any such open sale is bound to wound their religious susceptibilities, and it is not therefore necessary that they should agitate?

Sir Frank Noyce: I think, Sir, the arrangements which I have mentioned sufficiently show that attention has been paid to religious susceptibilities in this matter.

CARRIAGE OF AIR MAIL BETWEEN RANGOON AND KARACHI.

439. ***Mr. John Tait:** (*a*) Are Government aware that, in order to catch the westbound air mail leaving Karachi on Wednesday, it is at present necessary to post air mail matter in Rangoon not later than 7-30 A.M., on the previous Thursday, and that air mail matter from Rangoon thus takes thirteen days to reach London?

(*b*) Are Government aware that, if the services of the Royal Dutch Air Lines were utilised for the carriage of air mails, air mail matter could be posted in Rangoon up to the previous Saturday evening and would thus take only ten days to reach London?

(*c*) Will Government be pleased to state whether requests have been made to them by several commercial bodies in both India and Burma to utilise the services of the Royal Dutch Air Lines for the carriage of air mail matter between Rangoon and Delhi or Karachi, pending the inauguration of a British or Indian or State-owned service extending to Rangoon? If so, do Government propose to accede to these requests?

(*d*) If the answer to the last foregoing question is in the negative, will Government be pleased to state the reasons which prevent them from giving effect to the repeated requests which they have received in this connection?

The Honourable Sir Joseph Bhore: (*a*) Yes.

(*b*) Yes.

(*c*) Yes. The matter is under consideration.

(*d*) Does not arise.

Mr. John Tait: Are Government aware that letters may be posted on the Continent of Europe for direct conveyance by French and Dutch air lines to Akyab and Rangoon?

Sir Joseph Bhore: I believe that that is so.

PROCEDURE FOLLOWED UNDER REGULATION III OF 1818.

440. ***Mr. B. Das** (on behalf of Mr. K. C. Neogy): (*a*) Has the attention of Government been drawn to the statement made by Lord Reading in his speech in the Indian Legislature on the 31st January, 1924, regarding the procedure followed by Government in connexion with the operation of Bengal Regulation III of 1818, in which he particularly referred to the fact that after the arrests in Bengal were made, all the documents and evidence relating to each individual had been placed before two Judges of the High Court for the purpose of thoroughly sifting the material on which action was taken, of submitting it to the technical tests of judicial knowledge and experience and of framing recommendations regarding each case?

(*b*) Have all the steps referred to by Lord Reading on that occasion been taken with reference to each individual dealt with under the said Regulation during the last few months?

The Honourable Sir James Crerar: (*a*) The Government of India are aware of the statement. I would refer the Honourable Member to a reply given by Sir Malcolm Hailey to question No. 404 asked by Mr. Gaya Prasad Singh on the 19th February, 1924, from which it will be seen that the examination was made by two Senior Sessions Judges.

The statement of Lord Reading had reference to action against persons then detained under Regulation III in connection with the terrorist movement in Bengal, and I need hardly remind the Honourable Member that the principle of reference to two Judges was embodied in the Bengal Criminal Law Amendment Act of 1925 and in the existing Act of 1930.

(*b*) The procedure of reference to two Judges has been followed in cases where persons have been detained under Regulation III specifically on the ground of their connection with the terrorist movement.

It has not been followed in other cases either in the past or during recent months.

Mr. B. Das: May I know why there has been this departure in procedure and certain cases were not referred to two Judges?

The Honourable Sir James Crerar: As I have pointed out, there has been no departure.

Mr. B. Das: Do I understand that in every instance in the case of the recent arrests in Bengal under Regulation III, the file was referred to two Judges before the arrest was made?

The Honourable Sir James Crerar: My reply was that the procedure of reference to two Judges had been followed in cases where persons have been detained specifically on the ground of their connection with the terrorist movement.

Mr. K. Ahmed: Are Government aware that the questioner is getting mixed up between the Bengal Ordinances and Regulation III and that is why he is making such a mistake in his interpellation?

TRAFFIC-CONTROLLER IN THE POSTS AND TELEGRAPHS DEPARTMENT.

441. ***Khan Bahadur H. M. Wilayatullah** (on behalf of Mr. Muhammad Azhar Ali): (*a*) Will Government be pleased to state when the office of Traffic-Controller in the Posts and Telegraphs Department was created?

(*b*) What was the primary object in initiating such a post? How was it found necessary?

(*c*) How was traffic actually controlled?

(*d*) Was a fixed centre established for the purpose of traffic control? If not, why not?

(*e*) Who was the first Traffic-Controller appointed and what was the term of his office?

(*f*) Who were successive Traffic-Controllers? What were their respective tenures of office?

(*g*) What has this appointment cost the rate-payer, hitherto, on account of,—

(1) salary of the Traffic-Controller, each year, since inauguration of the post,

(2) contingent expenditure on his office establishment, etc., if any, for periods involved, and

(3) touring charges, if incurred, in each such case, aforementioned?

(*h*) Were Postmasters-General of Circles found incapable of control of their traffic in their own circles?

(*i*) Were members of the Post and Telegraph Sub-Committee of the Retrenchment Advisory Committee convinced that the creation and existence of the post of Traffic-Controller fulfilled, or justified, a useful purpose? If not, how is the burden of expenditure, imposed on the rate-payer, justified?

(*j*) Does the post still exist? If not, why not?

Mr. T. Ryan: (*a*) The 27th March, 1922.

(*b*) and (*c*). The post was initiated as a measure for co-ordinating the disposal of traffic on the main routes by examining the delay reports and

the immediate issue of appropriate orders. In addition to such work the Controller dealt with other business connected with the disposal of traffic.

(*d*) Th Headquarters of the Traffic-Controller were fixed in New Delhi.

(*e*) Mr. J. W. Mukherji from 27th March, 1920 to 1st November, 1921.

(*f*) Mr. P. N. Mitra from 2nd November, 1921, to 9th January, 1923. (The appointment was temporarily suspended from 10th January, 1923 to 6th April, 1924.)

Mr. M. F. D. J. Sice from 7th April, 1924 to 11th December, 1925.

Mr. S. C. Mitra from 12th December, 1925 to 28th February, 1927.

Mr. A. Brokenshaw from 1st March, 1927 to 30th April, 1929.

Mr. P. N. Mitra from 1st May, 1929 to 14th February, 1930.

Mr. S. C Mitra from 15th February, 1930 to 16th February, 1931. (The post was vacant from 17th February, 1931 to 1st March, 1931.)

Mr. V. A. Hughes from 2nd March, 1931 to 8th January, 1932. (The post was abolished from 9th January, 1932.)

(*g*) Government do not consider that the time and labour involved in working out the figures would be commensurate with the public interests likely to be served thereby. The different officers holding the post were remunerated by the grant of their ordinary pay as Divisional Engineers, or, in the case of Mr. Hughes, as Deputy Postmaster-General, *plus* a special pay of Rs. 100.

(*h*) No, but as the Honourable Member will have understood from what I have said the duties of the Traffic-Controller had special reference to the control of the through routes extending beyond the limits of individual Circles.

(*i*) and (*j*). The Government are not in a position to state the views of the Members of the Sub-Committee beyond what appears in paragraphs 97-100 of the Report which has already been furnished to Honourable Members. Government consider that the past expenditure on this post has been justified, though they decided to accept the advice of the Sub-Committee and to retrench the post in present circumstances.

REGISTERING OF INDIAN MEDICAL PRACTITIONERS.

442. ***Kunwar Hajee Ismail Ali Khan** (on behalf of Kunwar Raghubir Singh): Is it a fact that the names of persons who passed the final examination of the medical schools in India as L. M. P. and are not in Government service are not entered in the Medical Register? If not, why not?

Sir Frank Noyce: No. The names of the L. M. Ps. are entered in the provincial medical registers, the only registers which exist at present.

Dr. Ziauddin Ahmad: Do I understand that the L. M. Ps. who join the service are entitled to have their names entered in the register, but if they do not happen to have joined Government service they cannot do so?

Sir Frank Noyce: I do not understand to what service the Honourable Member refers.

Dr. Ziauddin Ahmad: I mean Government service.

Sir Frank Noyce: No. All practitioners are entitled to be entered in the provincial medical registers provided they comply with the conditions necessary for such registration.

Lieut.-Colonel Sir Henry Gidney: Do I understand the Honourable Member to say that all licentiates in medicine and surgery are entitled to be registered in the various provincial registers whether they are in Government employment or not?

Sir Frank Noyce: The provincial medical registers are not confined to officers in Government service.

Lieut.-Colonel Sir Henry Gidney: That does not answer my question. The Honourable Member Dr. Ziauddin Ahmad asked a question whether unless a man is employed in Government service he cannot be entered in the medical register of the province. Is that a fact?

Sir Frank Noyce: I am sorry I cannot follow the Honourable Member's question. To the best of my knowledge, all practitioners are entitled to be entered in the provincial medical registers whether they are in Government service or not, provided they comply with the conditions necessary for such registration.

Dr. Ziauddin Ahmad: The question is whether persons who have passed out from these medical schools and who are not fortunate enough to secure employment in Government service are entitled to have their names entered in the register?

Sir Frank Noyce: Obviously, Sir. Government service has nothing to do with the provincial medical registers.

APPOINTMENT OF SIKHS IN GOVERNMENT OFFICES.

443. ***Sirdar Harbans Singh Brar:** (*a*) What is the total number of gazetted officers in the Home, Army, Industries and Labour, Legislative and Legislative Assembly Departments and how many of them are Europeans or Anglo-Indians, Hindus, Muhammadans and Sikhs and what proportion does each of these communities form?

(*b*) How many vacancies occurred during the last two calendar years in each of these offices among the gazetted officers staff and the Upper Division of the Secretariat?

(*c*) Is it a fact that some of the gazetted appointments are reserved for ministerial establishment of the offices and the Upper Division Assistants are promoted to take the vacancies?

(*d*) Is it also a fact that the total absence of Sikhs in such appointments is simply due to the entire absence of the Sikhs in the Assistant's grade, *e.g.*, Upper Division of the Secretariat?

(e) With a view to safeguard the interests of Sikhs, do Government propose to take immediate steps to appoint Sikh Assistants in each of these offices by promotion from lower ranks, if not by direct appointments?

(f) If the reply to part (e) be in the negative, is that the policy of Government towards this important community which has always rendered valuable services to Government?

The Honourable Sir James Crerar: (a) and (b). Two statements are laid on the table. These have been compiled on the supposition that the Honourable Member wants to have figures of permanent gazetted posts filled ordinarily by promotion from the clerical grades. They do not take account of temporary or officiating vacancies in which members of minority communities have acted or are acting. One such vacancy in the grade of Superintendent in the Home Department is at present filled by a Muslim.

(c) Yes.

(d) My information is that there are no Sikhs at present in the 1st Division in the offices referred to and this is one of the causes for their absence from the higher grades. I would point out, however, that the principle of communal representation does not apply to promotions.

(e) and (f). I would refer the Honourable Member to the reply I gave to Sardar Kartar Singh's starred question No. 563, dated the 17th September, 1929, on this subject. A proportion of the vacancies in the grades of Assistants and Second Division clerks reserved for outside recruitment is set apart for the redress of communal inequalities.

Statement showing the information asked for in parts (a) and (b) of question No. 443.

PART (a).

Name of Department.	Total No. of gazetted posts in the grade of Assistant Secretary and Supdt.	Posts held by: Hindus		Muslims.		Sikhs.		Europeans and Anglo-Indians.	
		No.	Percentage.	No.	Percentage	No.	Percentage.	No.	Percentage.
Army	8	4	50	..	..	..	..	4	50
Home	8*	3	37·5	..	..	..	..	5	62·5
Industries and Labour	10	8	80	..	..	..	..	2	20
Legislative	4	1	25	..	..	..	..	3	75
Legislative Assembly.	3	1	33⅓	1	33⅓	..	..	1	33⅓

* Includes two posts brought under retrenchment.

PART (b).

Name of Department.	No. of permanent vacancies during 1930 and 1931 in the: Grades of Assistant Secretary and Superintendent.	1st Division.
Army	2	..
Home	1	1
Industries and Labour	4	3
Legislative	..	2
Legislative Assembly	..	..

Maulvi Muhammad Shafee Daoodi: Are the Government aware that the interests of the Sikhs are not jeopardised by the absence of Sikhs in these departments?

The Honourable Sir James Crerar: I think the Honourable Member is asking me for an opinion.

Mr. Gaya Prasad Singh: Is it not a fact that the interests of Muslims are not jeopardised by the absence of Muslims in these departments?

The Honourable Sir James Crerar: The same observation applies.

APPOINTMENT OF SIKHS TO THE OFFICE OF THE RAILWAY BOARD.

444. ***Sirdar Harbans Singh Brar:** (a) Will Government kindly place on the table a statement showing the number of Anglo-Indian, Indian Christian, Hindu, Muhammadan and Sikh gazetted officers working at present on the Railway Board?

(b) Is it not a fact that ever since the formation of the Railway Board no Sikh officer has so far been appointed although this fact has on many occasions been brought to the notice of Government?

(c) If reply to (b) be in the affirmative, are Government prepared to appoint the necessary number of Sikh officers soon? If not, why not?

Sir Alan Parsons: (a) A statement is laid on the table.

(b) and (c). I would refer the Honourable Member to the reply given by me to part (d) of question No. 275 asked by him on the 9th March, 1931.

Statement showing the number of Anglo-Indian, Indian Christian, Hindu, Muhammadan and Sikh Gazetted Officers working at present in the Railway Board.

Anglo-Indians	6
Indian Christians	*Nil.*
Hindus	4
Muslims	2
Sikhs	*Nil.*

APPOINTMENT OF ASSISTANT CONTROLLERS ON THE NORTH WESTERN RAILWAY.

445. ***Mr. Bhuput Sing** (on behalf of Mr. Lalchand Navalrai): (*a*) Will the Honourable the Railway Member kindly give his replies to starred questions No. 1292 by Mr. S. G. Jog and Nos. 1361 and 1362 by myself, put in the special Delhi session, last year regarding Assistant Controllers, on the North Western Railway, which were deferred?

(*b*) Is it a fact that some controllers placed their case regarding cancellation of their confirmation before the Court of Enquiry, constituted under Government of India notification L.-1714 of 13th August 1931? What did the Agent or his representative state before the said court?

(*c*) Was any assurance given to them by the Railway Administration about September last that they would have full justice?

(*d*) What steps, if any, have since been taken to confirm these men?

(*e*) If none, why not? Do Government propose to relieve these men of their anxiety at an early date, and make them permanent from the date of withdrawal of their confirmation? If not, what is deterring an early decision?

Sir Alan Parsons: (*a*), (*d*) and (*e*). I would refer the Honourable Member to the reply given to Mr. Jog's question No. 385 on 16th February, 1932.

(*b*) and (*c*). Government have no information.

APPOINTMENT OF TRAFFIC INSPECTORS ON THE NORTH WESTERN RAILWAY.

446. ***Mr. Bhuput Sing** (on behalf of Mr. Lalchand Navalrai): (*a*) Is it a fact that four junior men have been confirmed as Traffic Inspectors on the North Western Railway?

(*b*) What was their substantive pay? And on what pay have they been confirmed?

(*c*) Is it a fact that their confirmation has the effect of superseding many others on the North Western Railway; if so, what number?

(*d*) Will their confirmation be subject to Fundamental Rule No. 15, or is there any likelihood of its being cancelled as has been done in the case of Controllers? If not, why has a differential treatment been given to Controllers?

Sir Alan Parsons: I am making enquiries from the Agent of the North Western Railway and will lay the information on the table of the House as soon as possible after his reply has been received.

MONEY DISTRIBUTED FOR CANE GROWING AND SUGAR MANUFACTURE.

447. ***Mr. E. F. Sykes:** Will Government please say how much money has been distributed through the Imperial Council of Agricultural Research since its inception for (*a*) cane growing and (*b*) sugar making?

Sir Frank Noyce: The Imperial Council of Agricultural Research has so far sanctioned research grants amounting to (*a*) Rs. 8½ lakhs for the improvement of cane-growing (including Rs. 29,703 for experiments on improved cane crushers for village use), and (*b*) Rs. 3½ lakhs for Sugar Technology.

PRICES OF SUGAR-CANE.

448. ***Mr. E. F. Sykes:** Will Government please say what prices are being paid for cane to cultivators by sugar factories during the current season?

Sir Frank Noyce: It is understood that the majority of sugar factories in Northern India are paying As. 0-6-0 per maund for cane at purchasing centres. Two or three factories which are situated in localities in which there is no competition pay only As. 0-4-0 per maund. No information is available regarding the prices which are being paid by factories in Southern India.

ADVOCACY OF SWADESHI GOODS.

449. ***Mr. Bhuput Sing:** (*a*) Has the attention of Government been drawn to the article headed *Is buying Swadeshi illegal* published in the *Hindustan Times* of the 8th February, 1932?

(*b*) If so, will Government be pleased to state whether the advocacy of *Swadeshi* by means of advertising leaflets is an offence punishable under the Ordinances or any other laws? If so, will they be pleased to state them?

(*c*) If the answer to part (*b*) be in the negative, will Government be pleased to state whether they propose to instruct the Provincial Governments not to harass the public for advertising *Swadeshi* by means of handbills and other means of advertising agencies? If not, why not?

The Honourable Sir James Crerar: (*a*) Yes.

(*b*) The mere advocacy of *Swadeshi* is not, I think, an offence punishable under any Ordinance or any other law.

(*c*) Local Governments are aware of the legal position and no such instructions are necessary.

ARREST FOR ADVERTISING A SWADESHI TRICYCLE.

450. ***Mr. Bhuput Sing:** Is it a fact that a *Swadeshi* tricycle manufacturer of Delhi was arrested by the police for posting advertisements of his *Swadeshi* tricycle? If so, will they be pleased to state the reasons for his arrest and harassment?

The Honourable Sir James Crerar: I am informed that the suggestion contained in the Honourable Member's question is entirely without foundation.

TREATMENT OF LADY PRISONERS UNDER TRIAL IN DELHI.

451. ***Mr. Bhuput Sing:** Is it a fact that the under-trial lady prisoners in Delhi are given treatment like C class prisoners irrespective of their social status? If so, will Government be pleased to state the reasons for such treatment of lady under-trial prisoners in Delhi?

The Honourable Sir James Crerar: I have called for a report and will give the House the information when received.

PICKETING OF LIQUOR SHOPS IN THE NORTH-WEST FRONTIER PROVINCE.

456. *Kunwar Hajee Ismail Ali Khan: (a) Is it a fact that peaceful picketing on liquor shops has not been declared unlawful by the North-West Frontier Province Government?

(b) Is it a fact that picketers though not wearing red shirts were arrested, beaten, and sentenced in the North-West Frontier Province?

(c) Is it a fact that picketers on arrest were never asked whether they belonged to any unlawful association?

(d) If the answer to parts (a), (b) and (c) be in the affirmative, will Government be pleased to state under which law they were beaten, arrested and sentenced?

Sir Evelyn Howell: A report has been called for from the Local Administration and their reply will be communicated to the Honourable Member on receipt.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): A copy of the reply should be placed on the table.

Sir Evelyn Howell: Yes, Sir.

ARREST OF MEMBERS OF AFGHAN JIRGAS AND KHILAFAT COMMITTEES.

457. *Kunwar Hajee Ismail Ali Khan: (a) Is it a fact that Afghan Jirgas and Khilafat Committees were not declared unlawful organisations?

(b) Is it a fact that some of the members of both the organisations were arrested?

(c) Is it a fact that such arrested persons are still in jail?

(d) If the answer to the above be in the affirmative, will Government be pleased to state whether they propose to release such persons who have no connection with the unlawful associations? If not, why not?

Sir Evelyn Howell: (a) Yes.

(b) No persons were arrested as being members of these organisations.

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

ORGANISATIONS DECLARED UNLAWFUL IN THE NORTH-WEST FRONTIER PROVINCE.

458. *Kunwar Hajee Ismail Ali Khan: (a) Will Government be pleased to state the organisation or organisations that were declared unlawful in the North-West Frontier Province?

(b) From what date were they declared unlawful?

(c) Was the fact notified in the *North-West Frontier Province Gazette*? If so, on what date?

(d) Is it a fact that the Gazette mentioned above was printed during the night of 24/25th December, 1931, and was distributed on the morning of December 25th, 1931, without giving the text of the Ordinances?

(e) Is it a fact that copies of Ordinances promulgated in the North-West Frontier Province were not in the hands of the Local Government on 24th or 25th December, 1931, but were actually received on or after the 26th December, 1931?

(f) If the answer be in the affirmative, will Government be pleased to state how the arrests during the night of 24/25th December were made?

Sir Evelyn Howell: (a), (b), (c) and (d). The Honourable Member is referred to North-West Frontier Province Notification 18829-P., of December 24th, 1931, published in North-West Frontier Province Gazette Extraordinary of that date. The text of the Ordinances was not included in the Notification nor is this necessary under the law.

(e) No, Sir.

(f) The arrests were effected under Section 3 of the Emergency Powers Ordinance.

Dr. Ziauddin Ahmad: Is it necessary for the Local Government to receive actually a copy of the Ordinances before the Ordinance could be applied?

Sir Evelyn Howell: I believe it is; I am not sure.

Dr. Ziauddin Ahmad: Is it not a fact that in this particular case the Ordinance was received after its application?

Sir Evelyn Howell: It is not a fact.

FRICTION BETWEEN CREW STAFF AND STUDENTS OF JADABPUR AND ICHAPUR STATIONS ON THE EASTERN BENGAL RAILWAY.

459. *Mr. Nabakumar Sing Dudhoria: Will Government be pleased to state:—

(a) whether they are aware that of late there has been constant friction between crew-officers and crewmen on the one hand and engineering and technical students on the other, at Jadabpur and Ichapur stations, on the Eastern Bengal Railway, close to Calcutta;

(b) whether they have had knowledge of similar troubles in the past either at those or any of the places on the Eastern Bengal Railway between the railway staff and students;

(c) whether they are aware that, as a result, a lot of students hitherto travelling by rail have resorted to bus-service and cycling the distance;

(d) whether they will cause an enquiry to be made by a small committee of officials and non-officials into an investigation of the cases; and

(e) whether they are prepared to call for all the papers in connection with the present and past cases launched by the Railway Administration against the students and get them closely examined by expert officials of the Railway Board in order to find out the true causes of the troubles?

FEMALE EDUCATION IN CENTRALLY ADMINISTERED AREAS IN BRITISH INDIA.

452. ***Rai Bahadur Lala Brij Kishore:** (*a*) Will Government be pleased to state the number of women's educational institutions, *viz.*, (i) Middle Schools, (ii) High Schools, (iii) Colleges, and (iv) Technical, existing in the centrally administered areas of British India?

(*b*) Will Government be pleased to state the amount of money spent yearly from the central revenues on each of those institutions?

(*c*) Will Government be pleased to state the percentage of expenditure on female education as compared to the total expenditure on education in the centrally administered areas?

Sir Frank Noyce: (*a*) and (*b*). A statement, which, I trust, will prove sufficient for the Honourable Member's purpose, is laid on the table.

(*c*) 18 per cent.

Statement showing the number of (i) Middle Schools, (ii) High Schools, (iii) Colleges and (iv) Technical Institutions for women in the centrally administered areas of British India, as well as the amount of money expended during the year 1929-30 from central revenues on each class of these institutions.

Area.	Number of middle schools.	Number of high schools.	Number of colleges.	Number of technical institutions.	Expenditure on middle schools.	Expenditure on high schools.	Expenditure on colleges.	Expenditure on technical institutions.
					Rs.	Rs.	Rs.	Rs.
North-West Frontier Province.	20	1	...	...	15,418	6,900	...	...
Delhi . . .	10	2	2	...	21,030	16,176	1,96,250	...
Ajmer-Merwara .	8	2	...	...	18,876*	7,425	...	...
Baluchistan . .	6	...	...	...	10,982	...	...	...

* Includes expenditure on one normal and training school.

Dr. Ziauddin Ahmad: Is it not a fact that the only high school for girls that existed in the North-West Frontier Province was closed recently?

Sir Frank Noyce: I am sorry that I am unable to answer that question but I will make inquiries.

HIGHER EDUCATION OF WOMEN FROM CENTRALLY ADMINISTERED AREAS.

453. ***Rai Bahadur Lala Brij Kishore:** (*a*) Will Government be pleased to state the number of women students who have been sent abroad during the last five years from the centrally administered areas to receive higher education at the expense of Government?

(*b*) For the study of what subjects, and to which foreign countries have such students been sent?

Sir Frank Noyce: (*a*) Two.

(*b*) One to study English literature and the other to undergo a course for a degree or diploma in Education. Both were sent to England.

TRAINING COLLEGE FOR WOMEN IN THE CENTRALLY ADMINISTERED AREAS.

454. ***Rai Bahadur Lala Brij Kishore:** (*a*) Is it a fact that there is not a single training college for women in the centrally administered areas?

(*b*) If the answer to (*a*) above is in affirmative do Government propose to establish at least one training college for women who desire to take up an educational career? If not, why not?

Sir Frank Noyce: (*a*) Yes, but there are six training schools for women teachers.

(*b*) No; the existing facilities appear sufficient for the present.

Dr. Ziauddin Ahmad: May I ask in which province are these schools situated?

Sir Frank Noyce: The schools are, 1 at Peshawar, 1 at Delhi, 1 at Ajmer 2 at Bangalore and 1 at Rajkot.

Dr. Ziauddin Ahmad: Is Bangalore a directly administered area?

Sir Frank Noyce: The Civil and Military Station at Bangalore is a directly administered area.

Dr. Ziauddin Ahmad: Is it not an unfair distribution, that for the whole of the Frontier Province we have only one school, and for the small area of Bangalore two schools?

Sir Frank Noyce: I think the Honourable Member is asking me for an expression of opinion.

COMPLAINTS AGAINST THE SUPERINTENDENT OF POST OFFICES, SALEM.

455. ***Mr. Bhuput Sing:** (*a*) Are Government aware that there are several complaints against the Superintendent, Post Offices, Salem, for his behaviour towards the public who have to deal with him?

(*b*) Is there any memorial pending with the Director General of Posts and Telegraphs against any of the acts of this officer?

(*c*) If the reply to part (*b*) be in the affirmative, do Government propose to inquire into the matter?

Mr. T. Ryan: (*a*) No.

(*b*) Yes.

(*c*) The matter is being looked into.

Sir Alan Parsons: (*a*), (*b*) and (*c*). Government have received no report of any friction of the kind mentioned by the Honourable Member.

(*d*) and (*e*). As the Honourable Member's question does not indicate the nature of the trouble that has arisen, I am unable to say whether it is one calling for the interference of Government. I am, however, bringing the Honourable Member's question to the notice of the Agent, Eastern Bengal Railway for such action as he may consider necessary.

HINDU AND MUSLIM SUPERINTENDENTS OF POST OFFICES IN THE PUNJAB POSTAL CIRCLE.

460. ***Bhai Parma Nand:** (*a*) Will Government please state whether it is a fact that four Superintendents of Post Offices, two Muslims and two Hindus, have been retrenched in the Punjab Postal Circle with effect from 1st February, 1932, and that from the same date two Divisions from that Circle have been abolished, thus giving rise to the importation of two Superintendents to the Punjab Circle from other Circles?

(*b*) Is it a fact that before 1st February, 1932, there were 10 Muslim, 6 Hindu, 4 Sikh, and 4 Christian Superintendents in the Punjab Postal Circle and that after retrenchment of 2 Hindus and 2 Muslims, two Muslim Superintendents have been transferred to this Circle thereby maintaining the number of 10 Muslim Superintendents as before but reducing the number of the Hindus from 6 to 4?

(*c*) Has the attention of Government been drawn to a letter on the subject which appeared in the *Daily Herald*, dated 1st February, 1932, before ordering the transfer of Muslim Superintendents to the Punjab Circle?

(*d*) If reply to part (*c*) above be in the affirmative, what action has been taken by Government to equalize the number of Superintendents of the two major communities in this Circle, or do they now propose to take action with a view to avoid a preponderance of the Muslim Superintendents in this Circle?

The Honourable Sir Joseph Bhore: (*a*) I may explain that there is no necessary connexion between the number of posts retrenched in a particular postal circle and the number of Superintendents retrenched in that same circle since the Superintendents' cadre is an All-India one. It is however the case, though it is only a coincidence, that four posts of Superintendents of post offices including two Divisional Superintendents were abolished in the Punjab Circle and that four Superintendents of Post Offices selected for retrenchment happened also to be employed in that circle. There were already two permanent vacancies in the Circle and it was ordered that these should be filled by the transfer of two surplus officers from elsewhere.

(*b*) The reply to the first part of the question is in the affirmative. As regards the second part, the question of the officers to be transferred to this Circle is still under consideration.

(*c*) Government have seen the letter in question, but as already stated the transfer of two Muslims to the Punjab Circle has not yet finally been decided.

(*d*) Postings of officers are not made on a communal basis and Government do not propose to take communal consideration into account in the matter.

PREPONDERANCE OF MUSLIM OFFICERS IN THE PUNJAB POSTAL CIRCLE.

461. ***Bhai Parma Nand:** (*a*) Is it a fact that out of seven officers on the Postal side attached to the Punjab Postal Circle Office there are four Muslims (2 Deputy Postmasters General and 2 Assistant Postmasters General) against only one Hindu (Assistant Postmaster General)?

(*b*) Do Government propose to attach more Hindu officers to the Circle Office to avoid preponderance of any one community and discontentment in the other?

The Honourable Sir Joseph Bhore: (*a*) No, at present there are two Deputy Postmasters-General and four Assistant Postmasters-General in the Circle office; and four of these are Muslims.

(*b*) The posting of officers is not made solely on a communal basis, and as Government have no reason to apprehend that the interests of administration are in any way affected by the present arrangements in the Punjab Postal Circle they do not propose to interfere with them.

PASSAGE ALLOWANCE OF SUBORDINATES OF NON-ASIATIC DOMICILE.

462. ***Bhai Parma Nand:** (*a*) Is it a fact that the Government of India have sanctioned passage allowance to subordinates non-Asiatic domicile in 1930?

(*b*) Is it a fact that, due to financial stringency, Government are withholding or retrenching staff in various departments?

(*c*) Is it a fact that the Government of India have cut the pay of the employees and reduced staff throughout the country?

(*d*) If the facts mentioned in parts (*b*) and (*c*) are correct, are Government, for similar reasons of financial stringency, prepared to discontinue the allowance mentioned in part (*a*)? If not, why not?

The Honourable Sir James Crerar: (*a*) I would refer the Honourable Member to the reply I gave to parts (*a*) and (*b*) of Mr. Sitaramaraju's question No. 1337 on the 17th November last.

(*b*) and (*c*). Yes. Reduction of staff and a temporary cut in pay are measures that have been taken in pursuance of the general programme of retrenchment.

(*d*) The reply is in the negative. The grounds on which the allowance was given still hold good. I would also remind the Honourable Member that those eligible for the concessions are, in common with other Government servants, subject to the pay cut and it would be unfair in addition to the cut to take away a concession granted to them before the cut was imposed.

EMPLOYMENT OF HINDUS ON THE NORTH WESTERN RAILWAY.

463. ***Bhai Parma Nand:** (*a*) Will Government please lay on the table a copy of the report submitted by the Muhammadan Officer, who was deputed on special duty to carry out the policy of Government in connection with the communal basis in recruitment to the subordinate service on the State-managed Railways?

(*b*) Is it a fact that the Hindus are being replaced by Muhammadans on the North Western Railway to equalize their share in the clerical establishment on the North Western Railway?

(*c*) Is it a fact that in Loco. and Carriage Shops, Loco. Sheds, train examining staff, *i.e.*, Chargemen, Junior Chargemen, Journeymen, Mistries and Fitters on the North Western Railway, Muhammadans are in a majority?

(*d*) If the facts in part (*c*) are correct, are Government prepared to see their way to replacing Muhammadans, Europeans and Anglo-Indians by Hindus in the Workshops, Loco. Sheds, train examining staff of the North Western Railway?

(*e*) Do Government propose to fix some percentage for the Hindus on the North Western Railway where they are in a minority?

Sir Alan Parsons: (*a*) A copy has been laid on the table.†

(*b*) As vacancies occur they are filled in accordance with the policy of Government that the undue preponderance of any community in Railway service should be avoided.

(*c*) The available information will be found in paras. 180, 182 and 183 of Mr. Hassan's Report.

(*d*) and (*e*). No.

Mr. M. Maswood Ahmad: Is it not a fact, Sir, that the North Western Railway runs through such provinces where the Mussalmans are in a majority?

Sir Alan Parsons: I understand that is so.

Mr. M. Maswood Ahmad: Is it not a fact, Sir, that the Hindus are in a majority in the subordinate and upper subordinate services on the North Western Railway, and Mussalmans in a hopeless minority?

Sir Alan Parsons: I should not like to give a categorical answer to that question, but from the published figures of subordinates in grades with pay rising to Rs. 250 or over there is no doubt that the Hindus are in a majority in those grades.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House when the Hassan Report is likely to be published?

Sir Alan Parsons: I have in reply to a previous question laid a copy of this Report on the table and have undertaken to give a copy to Members of the House.

Mr. Gaya Prasad Singh: Will Government kindly give a statement of the percentage of Hindus and Muslims travelling on the North Western Railway? (Laughter.)

Dr. Ziauddin Ahmad: In view of the fact that Hindus complain of their low percentage and desire protection, and the Muhammadans, and the Sikhs complain of low percentages, I want to know how the percentage is made up?

Mr. Amar Nath Dutt: That is for Dr. Ziauddin Ahmad to make up.

†*See* footnote to starred question No. 428.

RECRUITMENT OF BOY FIREMEN ON THE NORTH WESTERN RAILWAY.

464. ***Bhai Parma Nand:** (*a*) Is it a fact that on the North Western Railway during the years, 1928, 1929 and 1930, the following was the proportion in which Boy Firemen Class III were engaged:

	Hindus.	Muhammadans.	Sikhs.	Europeans and Anglo-Indians.
1928 . .	6	3	2	14
1929 . .	3	3	2	15
1930 . .	1	3	1	5

(*b*) If so, will Government please inform the House as to why a larger number of Anglo-Indians and Europeans were taken than Indians?

(*c*) Will Government inform the House if in the above appointments a larger proportion of Europeans and Anglo-Indians than Indians will be continued in future years or will opportunity be given to Indians in the interest of Indianization? In the latter case, do Government propose to issue instructions to the North Western Railway in this connection?

Sir Alan Parsons: The information is being obtained, and will be laid on the table of the House.

MECHANICAL DRAWING OFFICERS ON THE NORTH WESTERN RAILWAY.

465. ***Bhai Parma Nand:** (*a*) Is it a fact that the Mechanical Drawing Office on the North Western Railway is a branch of the Headquarters and Superintendent Mechanical Workshops Offices?

(*b*) Is it a fact that the number of Mechanical Drawing Officers on the North Western Railway is 73?

(*c*) Is it a fact that out of these 73 the number of Hindus, Sikhs, Europeans and Anglo-Indians all combined is seven against 66 Muhammadans?

Sir Alan Parsons: (*a*) Yes.

(*b*) Last September the number was 78.

(*c*) There were seven Hindus, one European and one Anglo-Indian.

APPOINTMENT OF NON-MUHAMMADANS AS MECHANICAL DRAWING OFFICERS ON THE NORTH WESTERN RAILWAY.

466. ***Bhai Parma Nand:** (*a*) Is it a fact that the Establishment, Operating, Copy, Central Registry and Works Branches are also branches of the Headquarters Office, North Western Railway?

(*b*) Is it a fact that in the branches mentioned in part (*a*) a Muhammadan is appointed if any vacancy occurs?

(*c*) Is it not a fact that if a vacancy occurs in Mechanical Drawing Offices, where Muhammadans are in a majority, similar treatment as mentioned in part (*b*) is not meted out to non-Muhammadans? If not, why not?

(*d*) Are Government prepared to issue instructions to the North Western Railway authorities to engage more non-Muhammadans in Mechanical Drawing Offices in future?

Sir Alan Parsons: The information is being obtained, and will be laid on the table of the House.

APPOINTMENT OF ASSISTANT CHIEF DRAFTSMAN, HEADQUARTERS OFFICE, NORTH WESTERN RAILWAY.

467. ***Bhai Parma Nand:** Will Government please state whether at the time of appointing Mr. J. G. Keith Hitchens as Assistant Chief Draftsman in Headquarters Office on the North Western Railway the question of Indianization of services was considered? If not, why not?

(*b*) Is it a fact that Mr. Stone, Chief Draftsman on the North Western Railway, has gone on leave?

(*c*) Is it a fact that J. G. Keith Hitchens has only put in two years service?

(*d*) Is it a fact that Mr. J. G. Keith Hitchens is officiating in Mr. Stone's place?

(*e*) Will Government please state whether Mr. J. G. Keith Hitchens will be confirmed as Chief Draftsman or would an opportunity be given to an Indian to occupy that post?

Sir Alan Parsons: With your permission, Sir, I propose to reply to questions Nos. 467, 468 and 469 together. I am making enquiries from the Agent of the North Western Railway and will lay the information on the table of the House as soon as possible after his reply has been received.

NON-APPOINTMENT OF INDIANS AS CHIEF DRAFTSMEN ON THE NORTH WESTERN RAILWAY.

†468. ***Bhai Parma Nand:** (*a*) Is it a fact that Mr. S. R. Woodmore was a B Class Apprentice, Journeyman and Chargeman on the North Western Railway three years ago?

(*b*) Is it a fact that Mr. S. R. Woodmore is now Chief Draftsman in S. M. W.'s Office, North Western Railway, Moghalpura?

(*c*) Is it a fact that there are many Indian A Class Apprentices who were senior to Mr. S. R. Woodmore and Mr. J. G. Keith Hitchens? If so, why none of these A Class Indian Apprentices was given an opportunity in the position occupied by Messrs. S. R. Woodmore and J. G. Keith Hitchens?

TRAINING AND APPOINTMENT OF SPECIAL CLASS RAILWAY APPRENTICES.

†469. ***Bhai Parma Nand:** (*a*) Is it a fact that the Railway Board has special class apprentices (Mechanical)?

(*b*) Is it a fact that an apprentice is to put on a six years course to qualify himself for the post of gazetted officer?

(*c*) Is it a fact that out of these six years he has to put in four years in India and two years in England at Government expense?

(*d*) Are there any cases in which any apprentices have been appointed with a shorter training in India and none in England?

(*e*) If so, will Government be pleased to give their names and the reasons why exception was made in their case?

†For answer to this question, *see* answer to question No. 467.

INDIAN NEWSPAPERS UTILIZED FOR ADVERTISEMENTS OF THE PUBLIC SERVICE COMMISSION.

470. ***Bhai Parma Nand:** Will Government please place on the table of the House a list of Indian newspapers that have been added or likely to be added in the list of papers to which the advertisements of the Public Service Commission are being or will be issued? Do Government propose to publish these advertisements in the leading Indian dailies in each Province?

The Honourable Sir James Crerar: In view of the necessity for economy no additions have recently been made, or are proposed to be made, to the list of newspapers to which advertisements are issued and of which a copy was laid on the table of the House in reply to Mr. Jagan Nath Aggarwal's starred question No. 362 on the 16th September last. It will be seen that the list includes newspapers of the kind the Honourable Member has in mind.

MILITARY TROOPS IN TOWNS AND VILLAGES.

471. ***Lala Hari Raj Swarup:** Is it a fact that military troops are being made to march in towns and villages in various parts of the country? If so, what is the intention of doing so?

Mr. G. M. Young: Route marches are part of ordinary training. Extensive use of them has been made recently as apart from their value for purposes of training, they encourage friendly contact between the civil population and the military, while the presence of troops has a steadying influence and tends to restore confidence in times of unrest.

PURCHASE OF THE BENGAL AND NORTH WESTERN AND ROHILKUND AND KUMAON RAILWAYS.

472. ***Lala Hari Raj Swarup:** Will Government be pleased to state what has been the result of their negotiations with the Directors of the Bengal and North Western and Rohilkund and Kumaon Railways, as carried out in pursuance of the Resolution of the Assembly of the 3rd October, 1931, and on what conditions has the option to purchase been allowed to lapse?

Sir Alan Parsons: I would refer the Honourable Member to the reply which I gave to Pandit Ram Krishna Jha's question No. 335 on the 18th February, 1932.

REDUCTION OF PAY OF TRAVELLING TICKET INSPECTORS ON THE EAST INDIAN RAILWAY.

473. ***Lala Hari Raj Swarup:** (*a*) Will Government please state the cause of reduction of pay of the Travelling Ticket Inspectors on the East Indian Railway?

(*b*) If the cause is assigned to lessening of work, then will Government please state in what respects the duties have decreased? Are the functions of the old Travelling Ticket Inspectors and the present Travelling Ticket Examiners the same?

(c) Will Government please state for what administrative reasons the designation of the Travelling Ticket Inspectors has been changed from Travelling Ticket Inspector to Travelling Ticket Examiner?

Sir Alan Parsons: With your permission, Sir, I propose to reply to questions Nos. 473, 474 and 475 together. Certain information has to be obtained from the Agent, East Indian Railway, and replies will be laid on the table after it has been received.

REDUCTION OF PAY OF TRAVELLING TICKET INSPECTORS ON THE EAST INDIAN RAILWAY.

†474. ***Lala Hari Raj Swarup:** Will Government please state if it is a fact that the pay of the Travelling Ticket Inspectors on the East Indian Railway was reduced already before the general cut of 10 per cent. was announced? If so, why has their pay been further reduced since December, 1931?

ALLOWANCES OF GUARDS AND TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

†475. ***Lala Hari Raj Swarup:** (a) Will Government please state why the Travelling Ticket Examiners are given a fixed allowance of Rs. 17-8-0 while the Guards are allowed to earn much more than this for the same duty?

(b) With reference to answer to question No. 1121, dated 2nd October, 1931, in the Legislative Assembly will Government please state in what respects the duties of the Travelling Ticket Examiners are less arduous than the Guards' to justify this differential treatment?

(c) Why were the Travelling Ticket Inspectors of the East Indian Railway after 1925, and Travelling Ticket Examiners of Oudh and Rohilkhand Railway before 1925 given mileage allowance like the guards?

THE MOODY-WARD SYSTEM OF TICKET CHECKING.

476. ***Lala Hari Raj Swarup:** With reference to the answer to question No. 1183, on 4th November, 1931, will Government please state if the Moody-Ward system on the East Indian Railway is a preventive measure or detective:

(a) if preventive then whether with one or two men it is the intention to achieve this object which 7 or 8 Crewmen could not do?

(b) if detective then why the Travelling Ticket Inspector system has been abolished?

Sir Alan Parsons: Under the Moody-Ward system there are Ticket Collectors at stations whose duty it is to prevent people without tickets from entering station platforms, and Travelling Ticket Examiners whose duty it is to detect when in a train persons who have succeeded evading the Ticket Collectors or in getting on to a station platform without tickets. The main difference between the Moody-Ward system and the system of Travelling Ticket Inspectors previously in force is that under the old

†For answer to this question, *see* answer to question No. 473.

system the number of Travelling Ticket Inspectors was small and each Inspector was allowed, generally, to exercise his discretion as to the trains that he should travel by, with the result that on many trains there was no checking of tickets *en route* whereas under the Moody-Ward system two men are deputed to travel by each train to check tickets *en route*.

Dr. Ziauddin Ahmad: Are the duties of the men the same in the two different systems?

Sir Alan Parsons: The duties of Travelling Inspectors under the old system and of the Travelling Examiners under the new system are practically the same, the main difference being, as I have explained, that we now put two men on each train instead of leaving it to their discretion to select the trains by which they should travel.

Dr. Ziauddin Ahmad: While the duties are the same, why have their salaries been reduced to one-third? Instead of calling them Travelling Ticket Inspectors, you call them Travelling Ticket Examiners. That is merely a paraphrase in the designation of the office. By changing the designation you have reduced their pay. Why is this?

Sir Alan Parsons: The scale of pay is in the opinion of the Railway Administration and of the Railway Board adequate for the duties the men are called upon to perform.

Lieut.-Colonel Sir Henry Gidney: Sir, is it not a fact that one of the chief reasons why the name has been changed from Ticket Inspector to Ticket Examiner was to reduce the salary and to introduce a new class of officers though both perform exactly similar duties?

Sir Alan Parsons: Not to my knowledge.

Dr. Ziauddin Ahmad: On that analogy will it not be economical to call the Financial Commissioner of Railways, "Railway Commissioner of Finance" and reduce his salary by one-third? (Laughter.)

EXCESS FARES COLLECTED BY TRAVELLING TICKET EXAMINERS.

477. ***Lala Hari Raj Swarup:** (a) Will Government please state if the period from June, 1931, to November, 1931, was more prosperous for the Railway than the corresponding period of the previous year in respect of passenger traffic?

(b) What amount of excess fare was recovered by the Travelling Ticket Examiners during the period and the total number of cases charged with penalty?

(c) What is the total number of cases where money was refunded to the public in which penalty was recovered by the Travelling Ticket Examiners and the percentage of such refund in respect of cases charged with penalty (from 1st June, to 30th November, 1931)?

Sir Alan Parsons: (a) No.

(b) and (c). The information is not available, and its compilation would involve considerable labour incommensurate with any use to which the figures could be put.

UNSTARRED QUESTIONS AND ANSWERS.

DISCHARGE ON THE GROUNDS OF SUPERANNUATION OF A PARCELS CLERK OF CAWNPORE.

74. **Mr. N. R. Gunjal:** (*a*) Is it a fact that in the Railway Court of Enquiry, Mr. H. H. Yule, Divisional Superintendent of Allahabad, stated that there had been no person discharged in his division on the ground of superannuation, but when he was referred to the case of Mr. D. N. Banerji, late Head Parcels Clerk of Cawnpore, he pleaded ignorance and promised an enquiry?

(*b*) Has any enquiry been made in the case by Mr. Yule? If so, with what result?

Sir Alan Parsons: (*a*) and (*b*). Government have no information. The matter is one for the local railway authorities.

THE CASE OF SANDERS *versus* NATHURAM.

75. **Mr. S. C. Mitra:** (*a*) Will the Honourable Member in charge of the Railways be pleased to state if his attention has been drawn to an article under the heading "The Case of Sanders *versus* Nathuram" in the *Bengal Nagpur Railway Employees' Journal* for August, 1931?

(*b*) Will the Honourable Member be pleased to state:

(i) if the case originated on a petition of complaint made by Mr. J. Sanders, Foreman, Boiler Shop, Bengal Nagpur Railway Workshops, Kharagpur, to the Sadar Sub-Divisional Officer of Midnapur, Bengal;

(ii) if it is a fact that the case was based on a petition made by one Nathuram, Angle Smith, Boiler Shop, Bengal Nagpur Railway Workshops, Kharagpur, to the Agent, Bengal Nagpur Railway, alleging that Mr. Sanders had taken from Nathuram Rs. 500 (Rupees Five-hundred only) as bribe for giving him a post carrying higher pay—the complainant giving him a receipt for the same;

(iii) if it is a fact that the said Nathuram was committed to the Court of Sessions to take his trial under Sections 500, 467, 469, 471 I. P. C. (Defamation and Forgery); and

(iv) if it is a fact that the Sessions Judge after a long and protracted hearing acquitted Nathuram?

(*c*) Is it a fact that the Agent, Bengal Nagpur Railway, in his letter No. 4100, dated the 26th February, 1931, informed Nathuram that the case of Nathuram was a private case with no responsibility whatever to the Railway Company?

(*d*) Will the Honourable Member be pleased to state what, if any, amount has been spent by the Bengal Nagpur Railway Administration for conducting the case for the prosecution in the Sub-Divisional Officer's Court as well as in the Court of Sessions?

(*e*) Is it a fact that Mr. H. F. Bennett was informed by D. O. No. 788, dated the 12th November, 1930, that his bill for Rs. 266 for attending the Sessions Court at Midnapur in connection with the case, J. Sanders *vs.* Nathuram had been passed?

(*f*) Is it the practice with the Bengal Nagpur Railway to pay expenses for conducting private cases? If so, has anything been paid to Nathuram for his expenses? If not, why not?

(*g*) If answer to part (*f*) be in the negative, why has any sum been paid for the prosecution case?

(*h*) Will the Honourable Member be pleased to state whether it is the fact that the charge made by Mr. Sanders that Nathuram forged the receipt for Rs. 500 alleged to have been given by Mr. Sanders, failed, and if so, what action, if any, has been taken by the Railway Administration against Mr. Sanders?

Sir Alan Parsons: (*a*) Yes, by the Honourable Member's question.

(*b*) to (*h*). Government have no information. The employees mentioned are servants of the Bengal Nagpur Railway Company to whose Agent a copy of the Honourable Member's question is being sent.

RULES FOR THE RECOVERY OF RENTS FOR GOVERNMENT BUILDINGS IN SIMLA AND DELHI.

76. **Sirdar Harbans Singh Brar:** (*a*) Will Government please refer to question No. 904, parts (*a*) to (*e*) and Mr. J. A. Shillidy's answer thereto printed on pages 984-985 of Assembly Debates, dated the 24th September, 1931, and state the result of his examination?

(*b*) Is it not a fact that cases of officers of a similar nature were decided as far back as the year 1926?

(*c*) If so, why even after a delay of about five years in the case of clerks the reply is given that the case is under examination?

(*d*) What is the reason for the application of two different rules for recovery of rents from highly paid officials and the refusal to clerks who occupy Government buildings in Simla and Delhi the same privileges?

(*e*) Do Government propose to expedite and refund the excess rents so far recovered from clerks?

Part (*b*) No.

Part (*c*) Does not arise.

Part (*d*) The reason for the difference referred to is explained in the reply to the previous question.

Part (*e*) It is not proposed to make any refunds.

MUSLIMS EMPLOYED IN MILITARY GRASS FARMS.

77. **Mr. T. N. Ramakrishna Reddi:** (*a*) Will Government be pleased to state the total number of Munshis employed in the Military Grass Farms and how many of them have passed the Matriculation examination?

(*b*) What are the pay and future prospects of the Munshis?

(*c*) What minimum educational qualification is fixed for election of candidates for the posts of Munshis?

(*d*) Will Government please state whether L. Ag. or at least Matriculation passed candidates have in the past been appointed to these posts; whether such appointments are made by Assistant Controllers, instead of Managers?

Mr. G. M. Young: (*a*) There is no authorised permanent establishment of Munshis employed in Military Grass Farms. They are employed temporarily according to local and seasonal requirement; their numbers consequently fluctuate.

(*b*) Munshis are employed on rates of pay varying from Rs. 20 to Rs. 30 a month. They are eligible for appointment as Indian Overseers if they possess the requisite qualifications.

(*c*) None.

(*d*) Candidates who have passed the Matriculation examination have been appointed as Munshis. No information is available as to whether Licentiates of Agriculture have been appointed to the post. The appointment of Munshis is sanctioned by the Assistant Controllers, but the actual selection is made by Farm Managers.

INDIAN OVERSEERS AND MUNSHIS IN MILITARY GRASS FARMS.

78. **Mr. T. N. Ramakrishna Reddi:** (*a*) Will Government please lay on the table a statement showing the total strength of Indian Overseers and Munshis serving in the Military Grass Farms and the number of minority communities among them?

(*b*) Will Government please state what steps, if any, have so far been taken to prevent (i) preponderance of one community, and (ii) how many members of the minority community have been recruited in this branch of the above-mentioned service for redressing the communal inequalities?

COMMUNITIES OF CLERKS EMPLOYED IN MILITARY DAIRY FARMS.

79. **Mr. T. N. Ramakrishna Reddi:** Will Government please place on the table a statement showing the number of persons belonging to the majority and minority communities appointed as permanent clerks in the Military Dairy Farms for the last 12 months, as well as probationers?

Mr. G. M. Young: The number of permanent and probationary clerks appointed during the last 12 months is as follows:

	Hindus.	Muslims.	Christians.
Permanent	1	4	1
Probationary	1	2	1

EMPLOYMENT OF CLERKS FOR CHECKING ACCOUNTS ON MILITARY DAIRY FARMS.

80. **Mr. T. N. Ramakrishna Reddi:** (*a*) Is it a practice in the Northern and Southern Dairy Circle Offices to send every now and then, clerks from their offices for checking the accounts of farms? If so, why? Do the Auditors of the Military Accounts Department pay their periodical visits for the same purpose, every three months or four times a year?

(*b*) Will Government please say what was the total amount of travelling allowance and daily allowance for these clerks who visited various farms during the period January, 1930 to December, 1930?

Mr. G. M. Young: Enquiries are being made, and a reply will be laid on the table.

APPOINTMENT OF MUSLIM INCOME-TAX OFFICERS IN BIHAR AND ORISSA.

81. **Mr. M. Maswood Ahmad:** (*a*) Are Government aware that the number of Muslim Income-tax Officers employed in Bihar and Orissa has been reduced from three in 1924 to only one in 1931?

(*b*) If so, will Government be pleased to state the reasons for the gradual decrease in the number of Muslims?

(*c*) Will Government kindly also explain what steps they have taken to remove communal inequality in this service?

(*d*) Are Government prepared to recognize the claims of the Muslims for the above department?

(*e*) If so, what immediate action do they propose to take to remove this grievance of the Muslims?

The Honourable Sir George Schuster: The information has been called for and will be laid on the table in due course.

MUSLIM REPRESENTATION IN APPOINTMENTS ON THE NORTH WESTERN RAILWAY.

82. **Mr. M. Maswood Ahmad:** Will Government be pleased to state:

(*a*) if it is a fact that the representation of Europeans, Anglo-Indians, Hindus, Muslims and others on the staff of the North Western Railway on 1st March, 1931, was 56, 37,

34·46, 56·16 and 7·93, respectively, and that after the reduction was over, *i.e.*, on 10th July, 1931, proportion was ·63, ·92, 34·71, 55·71 and 8·03, respectively;

(*b*) if it is a fact that the percentage after the reduction in the case of Europeans, Anglo-Indians, Hindus and other classes has been increased by ·5, ·5, ·25 and ·10 and that the percentage in the case of Muslims has been decreased by ·45;

(*c*) if it is a fact that the Muslims constitute the majority community in the territories served by the North Western Railway, *viz.*, Sind Province, North-West Frontier Province, Baluchistan and the Punjab, and that their aggregate percentage comes to more than 70 per cent.; and

(*d*) if the replies to parts (*a*), (*b*) and (*c*) be in the affirmative, whether Government will be pleased to state the reasons for their disregard of their many promises held out to the Muslims to give them their due share and for the further reduction of the already inadequate representation of Muslims?

Sir Alan Parsons: (*a*) The figures quoted by the Honourable Member correspond with those communicated to him officially in an enclosure to Railway Board's letter No. 3966-E., dated the 2nd November, 1931.

(*b*) The increase in the percentage both of Europeans and of Anglo-Indians is 0·05 only and not 0·5.

(*c*) The majority of the population in the territories mentioned by the Honourable Member are Muslims.

(*d*) The orders issued to Agents of State-managed Railways in connection with the reduction of superfluous staff included an instruction that all practicable steps should be taken to see that the unfortunate necessity for reducing staff did not operate to the detriment of communities not at present adequately represented in railway services.

To give effect to this instruction the Agent, North Western Railway, ordered that the then existing ratio between various communities should be maintained. Government are satisfied that the instruction of the Railway Board has been followed as far as practicable and the Railway Board have advised the Agent, North Western Railway, that the insignificant departures from the pre-existing ratios should be adjusted when vacancies come to be filled.

RETRENCHMENTS IN THE DELHI DIVISION OF THE NORTH WESTERN RAILWAY.

83. **Mr. M. Maswood Ahmad:** (*a*) Will Government be pleased to state if it is a fact that the principles for retrenchment as outlined by the Railway Board were to retrench men who were inefficient, least efficient, nearing the age of superannuation and below three years' service?

(*b*) If so, will Government be pleased to state how many men from among the subordinate staff have been discharged on the ground of inefficiency, least efficiency, nearing the age of superannuation and below three years' service in the Delhi Division of the North Western Railway, and how many of them are Muslims, Europeans, Anglo-Indians, Sikhs, Hindus and other classes?

Sir Alan Parsons: (*a*) The principles of retrenchment were that men should be discharged who were inefficient, least efficient, of short service, or who were nearing the age of superannuation.

(*b*) Government regret that they are not prepared to collect this information.

RETRENCHMENTS IN THE DELHI DIVISION OF THE NORTH WESTERN RAILWAY.

84. **Mr. M. Maswood Ahmad:** Will Government be pleased to state:

(*a*) if it is a fact that instructions were issued by the Railway Board to their subordinates in charge to keep in view the intention of the Board of safeguarding the interests of the communities not adequately represented when discharging and demoting the staff;

(*b*) if it is a fact that no regard has been paid to safeguarding the interests of communities not adequately represented at the time of discharging and demoting the subordinate staff in the Delhi Division of the North Western Railway;

(*c*) if it is a fact that it is the Muslim and Christian subordinate staff alone that has suffered more than any other community in the retrenchment and demotions in the Delhi Division of the North Western Railway; and

(*d*) If the replies to parts (*a*), (*b*) and (*c*) be in the affirmative, whether Government propose to take disciplinary action against the subordinate in charge who disobeyed the instructions of his masters—the Railway Board?

Sir Alan Parsons: (*a*) Yes.

(*b*), (*c*) and (*d*). Government have had no complaints that these instructions have not been carried out. In fact, as far as information is available, they have been strictly adhered to on the North Western Railway.

REPRESENTATION OF MUSLIMS IN RAILWAY SERVICES.

85. **Mr. M. Maswood Ahmad:** (*a*) Has the attention of Government been drawn to a detailed memorandum on the subject of Muslims in Railway Services submitted in July last to the Railway Board for consideration by some very prominent Muslim public men, and Honourable Members of the Council of State and Assembly?

(*b*) If so, will Government be pleased to state what steps have so far been taken to give a practical shape to the three suggestions, *viz.*, (*a*), (*b*) and (*c*) contained therein? If none, why not?

Sir Alan Parsons: (*a*) Yes.

(*b*) I would refer the Honourable Member to Railway Board's letter No. 3966-E., dated the 2nd November, 1931, to Mr. Maswood Ahmad, a copy of which with its enclosures is laid on the table.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(RAILWAY BOARD).

No. 3966-E.

Dated New Delhi, the 2nd of November, 1931.

To

MASWOOD AHMED, Esquire, M.L.A.

Dear Sir,

With reference to the meeting which Sir George Rainy and the Railway Board had with the Deputation of Muslim Members of the Legislative Assembly and the Council of State on the 18th September 1931, I am directed to forward for the information of the Deputation a copy of the Proceedings of the meeting as well as the following documents promised to be supplied to the Deputation :—

(i) Statements giving the information available in the office of the Railway Board as to the number of employees discharged by communities. This information is available only in respect of the North Western, East Indian and Eastern Bengal Railways in the form and to the extent supplied.

(ii) A note showing the undertakings previously given on behalf of Government on the subject of representation of Muslims in the Railway Services and the action taken to implement each of them.

2. With reference to paragraph 4 of the Proceedings of the Meeting in which Dr. Zia-ud-din Ahmad observed that the Agent, North Western Railway, had told the Railway Retrenchment Sub-Committee that the North Western Railway Administration had issued orders that men over 3 years' service should not be discharged, I am to state that no such orders were issued and no such statement was made by the Agent. According to the information in the possession of the Board the following was the question put to, and answer given by, Mr. Highet in the course of his oral evidence before the Sub-Committee :—

"Dr. Zia-ud-din Ahmad wanted to know why they had laid down that staff with less than three years' service should be sent away before others. Mr. Highet explained that their object was not to lose experienced staff trained at the expense of the railway, but they had not arranged to discharge everybody with less than three years' service but only when there was a surplus and after they had got rid of inefficient men".

3. I am to add that the points involved in paras. 10 to 12 and 17 of the proceedings are under examination and that you will in due course be advised of the action taken.

Yours faithfully,

(Sd.) J. F. BLACKWOOD,
Secretary, Railway Board.

D. A. :—

1. Copy of the proceedings referred to.
2. Statements referred to.
3. Note referred to.

Proceedings of the Meeting between Sir George Rainy and the Deputation of Muslim Members of the Legislative Assembly and the Council of State.

On the 18th September 1931, Sir George Rainy met a Deputation of Muslim Members of the Legislative Assembly and the Council of State, who desired to make certain representations on the subject of retrenchment of Muslims in the Railway Services.

The following were present at the meeting :—

Sir George Rainy, K.C.S.I., K.C.I.E.,
Mr. T. G. Russell.
Mr. A. A. L. Parsons, C.I.E., I.C.S.

Mr. A. M. Hayman, O.B.E.
Mr. Maswood Ahmad, M.L.A.
Dr. Zia-ud-din Ahmad, C.I.E., M.L.A.
Seth Haji Abdulla Haroon, M.L.A.
The Hon. Mr. Abu Abdullah Syed Hussain Imam.
The Hon. Mr. Syed Abdul Hafeez.
The Hon. Mr. Mahmood Suhrawardy.
Mr. Md. Anwar-ul-Azim, M.L.A.
Sahib Bahadur Maulvi Syed Murtaza, M.L.A.

Mr. Maswood handed in a letter addressed to Sir George Rainy on the subject of the representation of Muslims in the Railway Services and also a separate memorandum which dealt with certain details. He stated that he regretted it was not possible for the Members of the deputation to get the letter and memorandum prepared in time to send it in advance of the meeting to Sir George Rainy. He added that he and the Members of the delegation desired particularly to refer to a few points.

2. Mr. Maswood took up first the question of retrenchment and stated that as far as he was aware the interests of Muslims were not sufficiently protected, when discharges were made. He said that this was particularly true of the Dinapore Division of the E. I. Railway and that he could cite many instances relating to that Division which would bear out his statement.

3. Seth Haji Abdulla Haroon said that he was concerned most with what had been done on the N. W. Railway and he too felt that the interests of the Muslim community were not sufficiently safeguarded in the matter of retrenchment and he would be able to put forward several instances in which Muslims had been unnecessarily discharged.

4. Dr. Zia-ud-din Ahmad stated that he would like to have figures showing what retrenchments had been made by different communities since the 1st April 1930. He added that he too was not satisfied that the interests of the Muslim community were properly considered in making discharges due to retrenchment. He said that the Agent, N. W. Railway had told the Railway Retrenchment Sub-Committee that the N. W. Railway Administration has issued orders that men over three years' service should not be discharged. He desired to know definitely whether such orders were issued and whether they were given effect to.

5. Mr. Hayman stated that on the subject of protecting the interests of minority communities in making discharges due to the abolition of posts on account of the economy campaign the Railway Board had issued orders that all practical steps should be taken to see that the unfortunate necessity for reducing staff did not operate to the detriment of communities not at present adequately represented in railway services. He stated that he would like to inform the Deputation of how the North Western Railway and East Indian Railway had applied these instructions as these railways had the largest number of Muslim employees. The Agent, N. W. Railway, had issued instructions that the percentage of Muslims and of other communities not adequately represented at the time discharges on account of retrenchment had begun should be maintained. Mr. Hayman stated that for this purpose the staff were divided into 3 categories, namely, workshop employees, inferior servants and subordinate staff; that the period of intensive retrenchment was from April to June 1931 and the percentage of Muslims on the 30th June 1931 compared with the percentage on the 31st March 1931 was as follows :—

	31st March 1931.	30th June 1931.
Subordinate staff	25·65	25·40
Workshop Staff	62·4	63·6
Inferior servants	61·9	62·1
Total Establishment	55·84	55·88

Mr. Hayman further stated that on an examination of these figures by the Board it was found that if the instructions of the Agent had been closely followed the number of Muslims retrenched in the subordinate grades should have been 177 instead of 226 and that the Agent had been instructed to adjust this discrepancy in filling future vacancies.

7. Mr. Hayman explained that on the East Indian Railway no supplementary instructions were issued by the Agent but care was taken to see that in the crew staff who suffered most in the course of retrenchment, the percentage of Muslims was not reduced. He said that Mr. Hassan who assisted in this task reports that 'the interests of the minority communities in general and of Muslims in particular did not suffer in any way, in the process'. He quoted the following figures relating to the crew staff and drew attention to the fact that the proportionate representation of Muslims remained the same before and after the retrenchment :—

Class.	Total number employed prior to reduction.	Percentage.	Number reduced.	Balance now employed.	Percentage.
Muslims	435	33	71	364	33
Hindus	734	55	127	607	55
Europeans and Anglo-Indians.	154	12	20	134	12
	1,323	100	218	1,105	100

8. Mr. Hayman added that retrenchment on the E. I. Railway in respect of other subordinate staff excluding from this term labourers and inferior servants, was not on a large scale and that Mr. Hassan had reported that very few permanent Muslim subordinates had been discharged.

9. Mr. Hayman undertook to supply the deputation with a complete statement giving all the information that was available at present to the Railway Board of the number of staff discharged by communities. He offered also to supply any member of the deputation with further information which had already been collected by Mr. K. M. Hassan or which could be readily obtained by Railway Administrations. He stressed the point that the collection and collation of information of the nature under discussion involved a great deal of clerical work and he hoped that the members of the deputation would be satisfied with such data as had already been collected or could be readily obtained.

Sir George Rainy said that if Mr. Maswood and Seth Haji Abdulla Haroon would send to the Railway Board a statement of the more important instances in which they considered proper consideration had not been paid to the interests of Muslims in making discharges he would ask the Railway Board to make an investigation into them. On a statement being made by Mr. Hussain Imam that discharges had not been properly made in the Clearing Accounts Office, Mr. Parsons undertook to have a similar investigation made if Mr. Imam would put forward particular instances.

10. Mr. Abdul Hafeez asked that care should be taken when reappointments were made of men who had been retrenched that the question of communal representation should not be overlooked. He stated that he would like to see Muslims taken back so that the proportion of Muslims in the Services prior to retrenchment should not be lowered by the appointment of other communities merely on the ground of seniority in service. Mr. Hayman said this point would be looked into.

11. Mr. Maswood next wanted to know what Mr. Hassan had done up to now. He added that he desired to put forward forcibly the desirability of vesting Mr. Hassan with definite powers in matters affecting appointments and discharges. He thought that unless such definite powers were vested in Mr. Hassan, it would not be possible for him to secure all that was necessary to advance the representation of Muslims in the services to adequate numbers.

12. Dr. Zia-ud-din said that he wished to associate himself with Mr. Maswood on this question of delegating powers to Mr. Hassan. Mr. Hayman gave a brief account of what Mr. Hassan had done up to the present. He said that Mr. Hassan had been instructed to submit a preliminary report by the middle of December 1931 on all that he had done up to the end of November 1931 and it was his intention to obtain instructions from Sir George Rainy whether this report should be made available to members of the Assembly and Council of State. Sir George Rainy intervening

stated that the report would be placed in the Library of the House. As to the question of powers being delegated to Mr. Hassan, Mr. Hayman stated that after his preliminary report was received, he would bring forward this question for the consideration of the Board. Sir George Rainy remarked that it was difficult to see how any powers in the matters of appointment and discharges could be delegated to Mr. Hassan when the responsibility for the proper conduct of work rested with others. He would keep an open mind, however, until he received the Railway Board's views on the question.

13. Seth Haji Abdulla Haroon said that he thought he ought to emphasise the fact that the Muslim employees of the N. W. Railway had formed themselves into a separate Muslim Union and that one of their objects for doing so was to encourage loyal and efficient service by Muslims to the Railway Administration.

14. Mr. Azim wanted to know whether Mr. Hassan would visit the A. B. Railway and whether he would be supplied with figures showing retrenchment on that Railway. Mr. Hayman informed him that instructions had been issued to Mr. Hassan that after he had completed his investigations on the State-managed Railways, he should visit the Company-managed Railways. He added that the figures giving particulars of the staff discharged will show what had been done on the A. B. Railway also.

15. Mr. Abdul Hafeez urged that Muslims would obtain better representation in the Railway Service if Muslim officers were represented more largely in the Railway Board and Dr. Zia-ud-din urged that at least the Director or the Deputy Director of Establishment should be a Muslim. Mr. Russell explained that the establishment work as affecting individuals was done more particularly by the Deputy Secretary and partly by the Deputy Director of Establishment; that until recently both these officers were Muslims and that at the present moment one of them was a Muslim.

16. Mr. Maswood next asked what had been done to appoint Muslims to posts of Office Superintendents and Head Clerks of the Establishment Sections in Railway Departmental Offices and in Divisions. Mr. Hayman explained that the Railway Board had addressed the Agents of State-managed Railways and asked them to bear in mind the desire of the Railway Board for the employment of an adequate number of Muslims as Office Superintendents or Head Clerks in making appointments to such posts, and that the Agents had been asked to submit a report on the subject by December next indicating the progress that had been made in this direction.

17. Several of the deputationists next referred to the necessity they were put to of asking questions in the Assembly and the Council of State on the subject of Muslim representation. They did this because they felt that Muslims were still not getting their due share of new appointments and also were not promoted to fill important posts. Sir George Rainy said that he had noticed that during this session a very much larger number of questions than in the previous session had been asked on the subject of communal representation. He said that as a result a large part of Mr. Parsons' and Mr. Hayman's time was occupied in framing answers to these questions, and he would like to point out that if the number was reduced, it would be possible for the Railway Board to devote more time to the more practical question of getting things done to give effect to the policy of Government in the matter of a communal representation. The deputation said that they were glad that this aspect of the matter had been mentioned, that they agreed generally with what Sir George Rainy had stated and that they would endeavour to cut out questions that were unnecessary.

18. Mr. Maswood then urged the Railway Board to look into the question of Mohammedan holidays. He said that the number at present granted was quite insufficient, and added that the details of what was required were stated in the papers just handed to Sir George Rainy. He further stated that the Divisional Superintendent, Dinapore, did not have sufficient consideration for the feelings of Muslims and had issued notices of discharge from service to several employees on one of their most important festival days. He also wished to complain that there was not a single Muslim in the Dinapore Accounts Office.

Sir George Rainy stated that the Railway Administrations followed local Governments in the matter of holidays, but that he would ask the Railway Board to look into the representation made by the deputation on the subject. Mr. Parsons undertook to look into the complaint regarding there being no Muslims in the Accounts Office at Dinapore.

19. Mr. Abdul Hafeez asked that Mr. Hassan should arrange to see him so that he could be in a position to place certain representations regarding the retrenchment of Muslims in the Dacca District of the E. B. Railway before Mr. Hassan for investigation.

20. Sir George Rainy said that before the deputation withdrew he would like to state that all the undertakings previously given by Government had been followed up and that Mr. Maswood would be informed of what Government had done in respect of each of them. He added that it was unfortunate that a period of drastic retrenchment which necessitated the suspension of recruitment had synchronized with the appointment of officers on special duty to assist the Railway Board to give full effect to the policy of Government on the subject of representation of the various communities in the Railway subordinate services.

21. The Deputation thanked Sir George Rainy for the patient hearing that had been given them and withdrew.

NORTH WESTERN RAILWAY.

Statement showing number of Subordinates, Inferior Staff and Workshops Establishment employed on the North Western Railway.

PART I.—Showing retrenchment effected and number discharged community-wise during 7th April 1931 and 30th June 1931.

Particulars.	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Other classes.	Total.
Distribution on 31st March 1931.						
(a) Subordinate Establishment	704	928	11,451	5,215	2,034	20,332
(b) Inferior Establishment .	..	69	25,981	52,111	5,936	84,097
(c) Workshop Establishment .	13	69	3,853	9,224	1,606	14,765
Total .	717	1,066	41,285	66,550	9,576	119,194
Retrenchment, etc., from April to June 1931.						
(a) Subordinate Establishment	12	41	341	226	71	691
(b) Inferior Establishment .	..	..	1,407	2,467	228	4,102
(c) Workshop Establishment .	..	..	489	665	157	1311
Total .	12	41	2,237	3,358	456	6,104
Distribution on 30th June 1931.						
(a) Subordinate Establishment	692	887	11,110	4,989	1,963	19,641
(b) Inferior Establishment .	..	69	24,574	49,644	5,708	79,995
(c) Workshop Establishment .	13	69	3,364	8,559	1,449	13,454
Total .	705	1,025	39,048	63,192	9,120	113,090
(a) Subordinate Establishment—						
Percentage on 31st March 1931 . . .	3·46	4·57	56·32	25·65	10·00	100·00
Percentage on 30th June 1931	3·52	4·51	56·57	25·40	10·00	100·00
(b) Inferior Establishment—						
Percentage on 31st March 1931	..	0·08	30·89	61·97	7·06	100·00
Percentage on 30th June 1931	..	0·08	30·73	62·1	7·11	100·00
(c) Workshop Establishment—						
Percentage on 31st March 1931	0·09	0·46	26·10	62·47	10·88	100·00
Percentage on 30th June 1931	8·10	0·51	25·00	63·62	10·77	100·00
Total { Percentage on 31st March 1931 . .	·60	·89	34·64	55·84	8·03	
Total { Percentage on 30th June 1931 . .	·62	·91	34·53	55·88	8·06	

NORTH WESTERN RAILWAY.

PART II.—Showing retrenchment effected from 1st March 1931 to 10th July 1931.

Particulars.	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Others.	Total.
Distribution on 1st March 1931	721	1,074	42,522	69,316	9,789	123,421
Retrenchment from 1st March 1931 to 9th July 1931. .	2	22	2,894	5,706	629	9,253
Distribution on 10th July 1931	719	1,052	39,628	63,610	9,160	114,168
Percentage on 1st March 1931	·58	·87	34·46	56·16	7·93	
Percentage on 10th July 1931	·63	·92	34·71	55·71	8·03	

EAST INDIAN RAILWAY.

Statement showing number of Subordinates, Inferior Staff and Workshop Establishments, by communities, employed on East Indian Railway both before and after retrenchment and the number discharged.

Particulars.	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Other classes.	Total.
Distribution on 31st March 1932.						
(a) Subordinate Establishment	1,103	2,069	15,604	4,721	302	23,799
(b) Inferior Establishment .	1	40	58,087	16,359	594	75,081
(c) Workshop Establishment .	1	12	24,053	6,352	286	30,704
Total .	1,105	2,121	97,744	27,432	1,182	129,584
Retrenchment, etc., from April to June 1931.						
(a) Subordinate Establishment	38	62	564	192	16	872
(b) Inferior Establishment .	..	2	2,535	612	52	3,201
(c) Workshop Establishment .	..	2	1,539	278	19	1,838
Total .	38	66	4,638	1,082	87	5,911
Distribution on 30th June 1931.						
(a) Subordinate Establishment	1,065	2,007	15,040	4,529	286	22,927
(b) Inferior Establishment .	1	38	55,552	15,747	542	71,880
(c) Workshop Establishment .	1	10	22,514	6,074	267	28,866
Total .	1,067	2,055	93,106	26,350	1,095	123,673
Subordinate Establishment—						
Percentage on 31st March 1931	4·63	8·69	65·57	19·84	1·27	100·00
Percentage on 30th June 1931	4·65	8·75	65·60	19·75	1·25	100·00
Inferior Establishment—						
Percentage on 31st March 1931	0·00	0·05	77·36	21·80	0·79	100·00
Percentage on 30th June 1931	0·00	0·05	77·28	21·92	0·75	100·00

Particulars.	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Others. classes.	Total.
Workshop Establishment—						
Percentage on 31st March 1931	0·00	0·04	78·34	20·69	0·93	100·00
Percentage on 30th June 1931	0·00	0·03	78·00	21·04	0·93	100·00
Total (Percentage on 31st March 1931)	0·85	1·64	75·43	21·17	0·91	100·00
Total (Percentage on 30th June 1931)	0·86	1·66	75·28	21·31	0·89	100·00

NOTE 1.—In respect of the *Crew Staff* which suffered most among the subordinate employees as a result of the retrenchment separate figures have been obtained and those are given below :—

——	Total number employed.	Percentage.	Number discharged.	Balance.	Percentage.
Muslims	435	33	71	364	33
Hindus	734	55	127	607	55
Europeans and Anglo-Indians	154	12	20	134	12
Total	1,323	100	218	1,105	100

NOTE 2.—The following statement shows the total number of employees discharged on the East Indian Railway since 1st January 1931 :—

Total number of men discharged on East Indian Railway from January 1st, 1931, by communities.

Hindus	7,405
Muslims	1,520
Sikhs	34
Europeans and Anglo-Indians	52
Indian Christians	19
Chinese	170
	9,200

EASTERN BENGAL RAILWAY.

Statement showing number of Subordinates, Inferior Staff and Workshop Establishment employed on Eastern Bengal Railway before and after retrenchment and number discharged community-wise.

——	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Other classes.	Total.
(1) Staff employed on 31st March 1931*	215	614 (829)	37,344	14,913	537	53,623
(2) Staff retrenched as a result of the economy campaign	24		1,147	292	..	1,463
(3) Staff after retrenchment	805		36,197	14,621	537	52,160
(4) Percentage on 31st March 1931	1·55		69·64	27·81	1·00	100·00
Percentage after retrenchment	1·54		69·40	28·03	1·03	100·00

*Figures are taken from Appendix C of Volume II and Appendix F of Volume of Railway Board's Administration Report for 1930-31.

NOTE SHOWING THE UNDERTAKINGS GIVEN ON BEHALF OF GOVERNMENT IN FEBRUARY 193 ON THE SUBJECT OF REPRESENTATION OF MUSLIMS IN THE RAILWAY SERVICES AN THE ACTION TAKEN TO IMPLEMENT THEM.

At a meeting in February 1931 between Sir George Rainy and a deputation of Muslim Members of the Council of State and the Legislative Assembly certain undertakings were given on behalf of Government on the subject of representation of Muslims in the Railway Services. These and the action taken to implement them are indicated below :—

"(i) *Undertaking given.*—That new rules for the recruitment and training of the subordinate staff would be issued without delay which would make adequate provision for the recruitment of members of minority communities.

Action taken.—The new rules were issued in May 1931. These rules definitely provide that one-third of the vacancies in each class shall be reserved for the redress of marked communal inequalities.

The following further provisions have also been made in these rules to safeguard the interests of candidates of minority communities at each stage in the process of selection of candidates :—

(i) Advertisements inviting application for employment should be sent for publication to newspapers commonly read by members of the various communities;

(ii) The Head of each Department, Division or District, shall maintain up-to-date statistics showing the communal composition of the staff in the various classes and groups and shall periodically review the position to ascertain whether any community requires to be more adequately represented. These statistics and results of the reviews shall be supplied to Selection Boards.

(iii) In making preliminary selection, Selection Boards shall so regulate their selection that effect may be given to instruction, (iv) below in making final selection.

(iv) In making final selection ⅔rds of the vacancies shall be filled by the candidates judged to be best qualified by the Selection Board. The remaining one-third of the vacancies shall be reserved for the redress of communal inequalities; but no candidate shall be selected for this purpose who does not possess the minimum qualifications prescribed. In the event of duly qualified candidates not being available in sufficient numbers to fill all the reserved vacancies, the balance of the vacancies shall be filled in the manner first prescribed in this instruction.

(ii) *Undertaking given.*—That the Railway Board would consider the suggestion to appoint one or two officers for a time to look after the interests of Muslims.

Action taken.—With effect from the 1st March, 1931, two posts were created for one year in the first instance, one on Rs. 1,750 per mensem and the other in the junior scale and Mr. K. M. Hassan, lately Deputy Director of Establishment, Railway Board, was appointed to the former post with the following terms of reference :—

"(i) to visit the headquarters of Railway Administrations and also places on State-managed Railways and offices under the Railway Board and Financial Commissioner, Railways where recruitment or promotions of non-gazetted employees are made and to observe the manner in which these matters are conducted and also the practical application of the rules relating to the training of the subordinate staff, and

(ii) to advise and assist the Agents and other controlling authorities in the introduction of such arrangements as may be necessary to secure the fullest compliance with the policy of Government regarding the adequate representation of Muslims and other minority communities in the various classes of non-gazetted establishments, and

(iii) to report on these matters to the Railway Board."

The other officer appointed to assist Mr. Hassan is Mr. B. T. Singh, a Sikh.

(iii) *Undertaking given.*—That a review would be made of the posting of officers to duties connected with the recruitment, training and promotion of staff with a view to secure an adequate number of Muslim officers for such posts.

Action taken.—In the Railway Board's letter No. 917-E.G., dated the 6th August 1931, the Agents of the North Western, East Indian, Great Indian Peninsula and Burma Railways have been instructed to consider the posting of Muslim officers as Staff Establishment or Employment officers when making appointments to such posts with a view to securing the employment of an adequate number of Muslim officers in that capacity. They have at the same time been asked to submit a report by the end of December next indicating the progress made in this direction.

(iv) *Undertaking given.*—That the suggestion regarding the appointment of 2 Muslim officers as Deputy Agents, Personnel would be considered.

Action taken.—As the posts of Deputy Agent, Personnel, are filled by selection from among officers with experience in staff or establishment work, the solution lies in the appointment of Muslims as staff officers from where they can work their way up to Deputy Agent, Personnel.

(v) *Undertaking given.*—That the suggestion to place Muslims in the posts of Office Superintendents or head clerks in the offices of the Divisional Superintendents will be considered.

Action taken.—In the Board's letter No. 917-E.G., dated the 6th March, 1931, the Agents have been instructed to bear in mnid the desire of the Board for the employment of an adequate number of Muslims as Office Superintendents or Head clerks in making appointments to such posts and asked to submit a report by December next indicating the progress made in that direction.

(vi) *Undertaking given.*—That with a view to securing the representation of Muslims in higher grades as far as possible, the suggestion made regarding direct recruitment to intermediate grades would be considered in respect of certain classes of posts.

Action taken.—The views of the Agents, North Western, East Indian, Great Indian Peninsula and Eastern Bengal Railways have been invited in the matter in the Railway Board's letter No. 5153-E., dated the 12th August, 1931.

(vii) *Undertaking given.*—That Railway Administrations would be asked wherever possible to put a Muslim officer on Selection Boards.

Action taken.—In the Railway Board's letter No. 3966-E., dated the 15th July, 1931, the Agents of the North Western, East Indian, Great Indian Peninsula and Eastern Bengal Railways were advised that when it is not convenient to appoint a Muslim officer of the Railway to work as a member of a Selection Board or Committee convened in connection with staff recruitment, opportunity might be taken to co-opt Mr. K. M. Hassan to sit on such a Board or Committee.

(viii) *Undertaking given.*—That steps would be taken to keep in touch with Associations and institutions like committees of Muslim representatives and Heads of Mohammedan colleges and schools when dealing with subjects affecting recruitment of Muslims in the Railway services.

Action taken.—The question of the formation, constitution and functions of committees of representative members of minority communities for the purpose of assisting railway administrations in the recruitment of non-gazetted employees was discussed with the Agents of Railways at a meeting held on the 27th March 1931, but as recruitment has been suspended owing to the need for retrenchment, it is proposed to defer the issue of final orders on this question for some time. In the meantime the Agents, North Western, East Indian, Great Indian Peninsula and Eastern Bengal Railways have, in the Board's letter No. 5153-E., dated the 13th August 1931, been instructed to give effect to the suggestions made by Sir Abdur Rahim during the Assembly debates for any vacancies that may occur being advertised and brought to the notice of the Heads of educational institutions which may be able to supply qualified Muslim candidates.

(ix) *Undertaking given.*—That the position on the North Western Railway would be especially examined in order to see whether recruitment rules could be varied in their application to it with the object of stimulating the recruitment of Muslims.

Action taken.—Normal recruitment has been suspended and it would not be until some time after such recruitment is resumed that any special rules or methods adopted on the North Western Railway for the purpose of stimulating recruitment of members of minority communities would bear fruit. In order, however, that there may be no delay in following the methods and rules which it may be decided to adopt for the special needs of the North Western Railway, the Agent has been asked in the Board's letter No. 3966-E., dated 28th July 1931 to examine the position on his railway and suggest suitable modifications in the existing rules and methods of recruitment in order to ensure that Muslims who constitute the majority of the

population in the area served by that railway, are in due course adequately represented in the service. Certain useful information has been collected and the investigation will be pursued and orders issued to meet the object in view.

(x) *Undertaking given.*—That instructions will be issued to railway administrations if, on examination, this course is considered necessary, to prepare statistics showing the communal composition of the staff in different categories as a guide to recruitment for future vacancies.

Action taken.—Provision has been made to this end in the rules of recruitment for the subordinate staff and Mr. Hassan has compiled detailed statistics showing the composition community-wise of each of the various classes and grades of the subordinate establishment on the North Western, East Indian, Great Indian Peninsula and Eastern Bengal Railways.

MUSLIM ESTABLISHMENT CLERKS IN THE EAST INDIAN RAILWAY.

86. Mr. M. Maswood Ahmad: Is there any Muslim Establishment Clerk or Head Establishment Officer on any Division of the East Indian Railway? If so, how many of each category separately and in which Divisions?

Sir Alan Parsons: The information available is that in December 1931 one Staff Officer and sixteen office Superintendents or Head Clerks on the East Indian Railway were Muslims.

MUSLIM ESTABLISHMENT OFFICERS IN THE EASTERN BENGAL RAILWAY.

87. Mr. M. Maswood Ahmad: Is there any Muslim Head Establishment Officer, Office Superintendent or Head Clerk on the Eastern Bengal Railway? If so, how many in each category separately and in what Divisions?

Sir Alan Parsons: I am obtaining the information, and will lay it on the table in due course.

MUSLIM REPRESENTATION IN RAILWAY SERVICES IN EAST BENGAL.

88. **Mr. M. Maswood Ahmad:** Is it a fact that the Mussalmans in East Bengal are in a majority? If so, have Government given effect to their declared policy of not allowing the minority communities to preponderate in such provinces in services under the control of the Government of India and especially the Railway Services? If not, why not?

The Honourable Sir James Crerar: The reply to the first part is in the affirmative. As regards the second, the Honourable Member is under some misapprehension as to the declared policy of Government. That policy is the prevention of the undue preponderance of any one community and is being followed in the services to which the Honourable Member refers.

MUSLIMS EMPLOYED IN THE INDIAN TELEGRAPH DEPARTMENT.

89. **Mr. M. Maswood Ahmad:** With reference to the reply given on 26th January, 1932, to question No. 13 part (*b*) regarding Muslims in the Traffic and Engineering Departments of the Indian Telegraph Department, will Government be pleased to supply the correct figures?

The Honourable Sir Joseph Bhore: The correct figures for the whole of India as they stood on 15th May, 1930, are as follows:

Telegraph Engineering and Wireless Branches.				Telegraph Traffic Branch.			
Europeans and Anglo-Indians.	Hindus.	Muslims.	Other communities.	Europeans and Anglo-Indians.	Hindus.	Muslims.	Other communities.
170	24	3	5	59	34	...	3

MESSAGES FROM HIS EXCELLENCY THE VICEROY AND GOVERNOR GENERAL.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. I have received four communications from His Excellency the Viceroy and Governor General regarding the Railway Budget and the General Budget and I will read them to Honourable Members.

(The Assembly received the Messages standing.)

"For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of rules 43, 46 and 47 of the Indian Legislative Rules, I, Freeman Freeman-Thomas, Earl of Willingdon, hereby appoint the following days for the presentation to the Legislative Assembly of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways and for the subsequent stages in respect thereof in the Legislative Assembly, namely :—

Thursday, the 25th February.	*Presentation in the Legislative Assembly.*
Monday, the 29th February.	*General discussion in the Legislative Assembly.*
Tuesday, the 1st March. *Wednesday, the 2nd March.* *Thursday, the 3rd March,* *Friday, the 4th March,*	*Voting on Demands for Grants in the Legislative Assembly.*

(Sd.) WILLINGDON,
Viceroy and Governor General."

New Delhi,
The 21st February, 1932.

The second order is:

"For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of rules 43, 46 and 47 of the Indian Legislative Rules, I, Freeman Freeman-Thomas, Earl of Willingdon, hereby appoint the following days for the presentation to the Legislative Assembly of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of subjects other than Railways and for the subsequent stages in respect thereof in the Legislative Assembly, namely :—

Monday, the 7th March.	*Presentation in the Legislative Assembly.*
Wednesday, the 9th March. *Thursday, the 10th March.*	*General discussion in the Legislative Assembly.*
Monday, the 14th March. *Tuesday, the 15th March.* *Wednesday, the 16th March.* *Thursday, the 17th March.* *Friday, the 18th March.*	*Voting on Demands for Grants in the Legislative Assembly.*

(Sd.) WILLINGDON,
Viceroy and Governor General."

New Delhi,
The 21st February, 1932.

The third order is:

"In pursuance of the provisions of sub-section (3) of section 67A of the Government of India Act, I hereby direct that the heads of expenditure specified in that sub-section shall be open to discussion by the Legislative Assembly when the Budget is under consideration.

(Sd.) WILLINGDON,
Governor General."

The 7th January, 1932.

And the fourth order is:

"In exercise of the powers conferred by rule 2 of the Indian Legislative Rules, I, Freeman, Earl of Willingdon, hereby appoint the Honourable Sir George Rainy, to perform the functions assigned to the Finance Member under rule 46 of the said Rules on the occasion of the general discussion appointed for Monday, the 29th February, 1932, on the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways.

(Sd.) WILLINGDON,
Viceroy and Governor General."

New Delhi.
The 21st February, 1932.

CONSTITUTION OF A HOUSE COMMITTEE.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I have to inform Honourable Members that in November last I received a representation signed by 55 Members of this House drawing attention to the unsuitability and insufficiency of the accommodation at present provided for Members of the Assembly, both in Delhi and Simla, and requesting me to take early steps to constitute a House Committee consisting of Members of this House to look after the comforts and conveniences of Members, and to suggest from time to time additions and alterations to the existing accommodation and to submit plans for building more quarters to suit the convenience of Members.

[Mr. President.]

I have now to announce that in pursuance of this representation and in view of the fact that there is a general desire among Members for such a Committee, I have, in consultation with Party Leaders, constituted a House Committee consisting of the following Members:

Mr. R. K. Shanmukham Chetty (Chairman),
Diwan Bahadur Harbilas Sarda,
Mr. Gaya Prasad Singh,
Mr. S. C. Mitra,
Mr. Rahimtoola M. Chinoy,
Khan Bahadur H. M. Wilayatullah,
Mr. H. B. Fox,
Kunwar Haji Ismail Ali Khan,
Sardar Harbans Singh Brar, and
Dr. F. X. DeSouza.

THE BENGAL CRIMINAL LAW AMENDMENT (SUPPLEMENTARY) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir James Crerar (Home Member): Sir, with your permission, I lay on the table the report of the Select Committee on the Bill to supplement the Bengal Criminal Law Amendment Act, 1930.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): Sir, I move:

"That this Assembly do proceed to the election, for the financial year 1932-33, in such method as may be approved by the Honourable the President, of six Members to serve on a Standing Committee for 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 as adopted by the Assembly on the 4th February 1930."

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): I beg to 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, other than 'Indians Overseas—Emigration' and 'Haj Pilgrimage', dealt with in the Department of Education, Health and Lands."

Dr. Ziauddin Ahmad (United Provinces Southern Division: Muhammadan Rural): May I ask whether this Committee ever met during the last year, and, if so, how many times?

Sir Frank Noyce: It met once last year. It had, if I may say so, a distinctly lengthy agenda.

Mr. President: The question which I have now to put is:

"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, other than "Indians Overseas—Emigration" and "Haj Pilgrimage", dealt with in the Department of Education, Health and Lands."

The motion was adopted.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I may inform Honourable Members that for the purpose of election of Members to the Standing Committee for Roads and the Standing Advisory Committee for the Department of Education, Health and Lands, the Assembly Office will be open to receive nominations up to 12 noon on Thursday, the 25th February and that the elections, if necessary, will take place in this Chamber on Monday, the 29th February, 1932. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE WIRE AND WIRE NAIL INDUSTRY (PROTECTION) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move that the Bill to provide for the fostering and development of the wire and wire nail industry in British India, as reported by the Select Committee, be taken into consideration.

I do not propose to make a lengthy speech about this Bill. The Report of the Select Committee is not a very long one, and but for one exception—my Honourable friend Mr. B. Das—the Report is unanimous. Only one change has been made by the Select Committee in the Bill as it was introduced. Provision has been inserted to provide that the surcharge that is leviable under the Indian Finance (Supplementary and Extending) Act passed last November should not be collected on this higher duty which it is now proposed to impose on wire and wire nails. The feeling of the Committee was that, since this was a new duty not in force at the time the Supplementary and Extending Finance Act was passed, and since the duty proposed to be imposed was higher than the former duty with the surcharge added, it was reasonable that the surcharge should not be collected. Apart from that, there are two expressions of opinion in the Report of the Select Committee. It was pointed out in paragraph 2 of the Report that, as part of the whole project which this Bill embodies, the firm which is engaged in the manufacture of wire and wire nails should establish equipment for the manufacture of wire rod so that the wire and the nails may be made from Indian steel. The Committee felt that, if the Legislature was to pass this Bill it was entitled to satisfy itself that steps would actually be taken with reasonable promptitude for the establishment of the new machinery, as otherwise the object

[Sir George Rainy.]

sought to be attained might be frustrated or retarded. They therefore recommended that Government should satisfy themselves on the point whether the industry had taken definite steps to put itself in a position to manufacture wire and wire nails from indigenous material, and if this was not done that the fact should be brought to the Legislature at its next session. Government have no difficulty in accepting that recommendation, for it is undoubtedly an essential part of the scheme that, as soon as possible, wire and wire nails should be made from Indian steel.

Finally, Sir, there is one other expression of opinion that Government should have the question examined whether, during the period before the mill is erected in India for the manufacture of wire rod, it is possible, without detriment to the industry, to exempt by notification under section 23 of the Sea Customs Act certain kinds of wire from the protective duty. The Committee have indicated the kinds of wire which they had in mind. If the Bill is passed, Government will certainly give effect to that recommendation. The point of the recommendation is to prevent, provided always that this can be done without making the scheme of protection ineffective, the imposition of an unnecessary burden on the consumer. What the result of our investigations may be I obviously cannot say at present but the matter will be examined and in due course, and probably next session, we shall be in a position to state what the results of our investigation are. My Honourable friend Mr. Das has given his views at some length in the minute of dissent which he has appended to the Committee's report. I do not think, however, that at this stage I need deal with his points because, knowing my Honourable friend as I do, I have no doubt that the House will hear from his own lips an expression of his opinion, and possibly I shall have an opportunity when I reply to deal with such points as may be raised. Sir, I move.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I regret that I have to oppose the consideration of this Bill. This is the first Bill which the Honourable the Commerce Member has introduced, by which he grants to a particular industry two systems of protection, and I hope Honourable Members on this side of the House at least have read the weighty minute of dissent that I have added.

Mr. S. C. Mitra: It is only one paper. How can it be weighty?

Mr. B. Das: The weight lies in the argument contained therein and the facts mentioned there. I am surprised that this new innovation has been made by the present Tariff Board, by which it wants to give a particular industry a rebate, a certain bounty and subsidy, by granting it exemption from duties on imported raw material, and at the same time they ask this House to commit itself to a system of protective tariff. One of the essential principles required of any industry if it is to receive a bounty, concession or protection, is that it should use Indian raw materials. This industry has not justified that. I do not want to go again over the arguments that I advanced when this Bill was considered before it was referred to the Select Committee, but as I said then, I repeat again that the Tariff Board bases its recommendations on suppositions, presumptions and speculations. When I wrote my minute of dissent, I read through the Tariff Board's Report over again and I found there were too many

suppositions and presumptions. Time was when if any protective measure came before the House, this House gave protection for a particular period, but at present I find that the Government agree with the idea of the capitalist Members on this side that all measures of protection should be for an indefinite period, till the industry stands on its own legs. What does that mean? It means that the consumer goes on paying high prices while a particular section of capitalists, who have invested a certain sum of money, goes on deriving high dividends. In the case of the wire and wire nail industry, the Tariff Board has not proved that the industry is in a position to stand on its own legs in a limited number of years. On the other hand, if this House passes this measure, this House stands committed to future protection, and again in 1934 when the new Commerce Member will bring out protective duties for the benefit of the Tata Iron and Steel Industry, this particular subsidiary industry will receive protection also. In 1924 or 1927 no body in this House, except perhaps my friend, the Deputy President, ever thought that this House would be committed to measures of protection for years and years until these capitalists and financiers who have invested money grow so rich by exploiting the masses that they themselves ask Government to take off the protection. I was surprised in the Select Committee to hear that Government are not in a position to say when a particular industry will not need protection and what will be the effect of these protective measures. At the same time it confers certain benefits on a particular industry, but it does not exact any obligatory duty from that industry. Although my friend Sir George Rainy did not agree with me that certain obligatory rules should be imposed on the wire nail industry, yet when he was speaking in connection with another protection Bill, the paper pulp protection industry, he said:

> "It is the established policy of the Government of India that when concessions, bounties and subsidies are given to industrial firms, then in the case of any company not already engaged in an industry we enforce the conditions recommended by the Fiscal Commission."

Sir, my friend wants to enforce certain obligatory conditions on firms that are to be started hereafter, but he does not want to do that in the case of firms already existing. Sir, this wire nail industry, although it was protected in 1924, could not manufacture any wire nails. In 1927 Government took off the protective tariff on the wire nail industry and to-day that industry is coming up for it for the first time. How is it and why is it that the Government do not come forward and satisfy themselves that there should be certain obligatory conditions which this particular firm and every other firm that comes forward in the future will observe? Sir, as I said the other day, this wire nail industry, if it receives this protection, will get a monopoly and an advantage over all other new firms that may come forward in future. The Tariff Board has already pointed out that from a capital expenditure of Rs. 25 lakhs, the present block account is Rs. 3·8 lakhs; so any individual firm that may come forward will at least spent Rs. 10 to 15 lakhs on the installation of a factory similar to the existing factory at Tatanagar; so why this Legislature and the Government should be so partial to this particular firm and give it a special concession, I cannot make out. Of course if this measure is passed, there will also be protection to the wire rod manufacturing industry, and of course this firm is going to spend 5 lakhs on the same: and I learn a Karachi firm is also going to start factory; but I am doubtful if the Karachi

12 NOON.

[Mr. B. Das.]

that the Government are trying to adopt, while the high rate of exchange is already giving protection to Indian paper. Everybody knows that the German mark has gone up. Wire nails are being sold in India at Rs. 7/4/0, in retail and Rs. 6/12/0, wholesale. Everywhere there is an effort to reduce the cost of production, but in India there is none. If this Bill is passed, the price of wires will go up. But this firm, as I have pointed out in my minute of dissent does not produce even 300 tons of wire, although the total consumption of wire in India is about 12,300 tons. Everybody also knows that the firm for which my friend the Commerce Member has got such a soft spot has not yet even placed an order for the rod mill. Suppose it does not purchase the rod mill, yet Government will get this additional duty of 4 lakhs and the ordinary man will pay more money for the wire which he gets. Is that fair?

Sir, in this instance I find the position of my friend Sir George Rainy like that of an old Oriental patriarch. This Oriental patriarch has many sons and grandsons. As soon as they grow up, they get married and begin to get children. Then the sons go to their father and ask him to provide their children with bungalows and palaces and with the wherewithal to live. My friend Sir George Rainy who has a soft spot for these industries, says that these industries will do well, and at the same time my friend Sir George Schuster will get about 2 crores additional revenue. Sir, the Tata steel and iron industry was the original son; it was the original scheme of my friend. He now wants to protect subsidiary industries. Whether the subsidiary industries have got the necessary plant or not, he does not mind; he must protect them. Sir, after a few months, my friend will not be here; he is going away in three months' time. His successor will tell us: "Well, gentlemen, my predecessor Sir George Rainy and his predecessor Sir Charles Innes, asked you to give protection to these industries. So this Legislature is committed to the principle of protection, and if you are now against that principle, you are wrong". Sir, I oppose this Bill with the observation that the protection already given by executive action is more than sufficient for the industry.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I rise to support this Bill. I am glad that my Honourable friend, Mr. B. Das, who always represents the cause of employers of India in the International Conferences is now looking after the interests of the consumers. Sir, I was not feeling at ease when I who always stand for the consumers have to differ from Mr. Das when he goes out of his way to support the cause of the consumers. So, I tried to understand the question as much as I could and I carefully went through the Report of the Tariff Board. I find, as Mr. Das says, that, strictly speaking, this industry has now come forward, not so much for protection. It will really come for protection after a year or 18 months. This is what the report says on page 9:

"Unless steps are taken in the meantime to preserve the wire industry in India, its ultimate development into an industry using indigenous material will be rendered impossible. It is in the light of these considerations that we desire to approach the question of protection."

Sir, on fundamental points there is no difference between myself and Mr. Das. If protection cannot ultimately secure for the poor Indian consumers a cheaper price I shall always be against protection, unless it be in the special case of vital industries like steel, or some other key industries that are necessary for the defence of India. Had it been merely to help a capitalist, I would have been the last man to support it. But in the Select Committee itself Mr. Drake said that this Company was not opposed to be converted into a joint stock company. Besides, they themselves had already invested in this industry another 5 lakhs for keeping it alive and for the purchase of the machinery another 5 lakhs will be necessary now. They are really incurring a great expenditure of money in the prospect of having wire and nails of Indian manufacture. Ultimately, therefore, these wires and wire nails will be sold at a cheaper price to the Indian consumers. Had it not been so and if there had been no future when we could legitimately expect to get these things cheaper, then there would have been no case for protection. As regards monopoly, I do not think this protective duty applies to this company alone. The protective duty is for all. If any other concern is started, I am sure it will not be deprived of the benefit of this protective duty; I know in Calcutta a firm called the Pioneer Wire and Nail Factory owned by Mr. Bysack. There is another firm in Amritsar and in the Select Committee we were informed that another concern was going to be started soon in Karachi. I do not know if all these concerns get the benefit of protection, why other ventures should not be started and why there should be apprehension of monopoly by this firm alone. As regards the capacity of this company, Mr. Das said that out of 12,000 tons of wire and 12,000 tons of wire nails, this company is at present producing about 3,000 tons. Had that been the fact, I would have hesitated to support the Bill. I note that the Tariff Board makes it clear that they have the capacity to improve as soon as they get the benefit and they will be producing about 10,000 tons and more. There is sufficient capacity in the plans for producing larger a quantity of wires and wire nails and there is a sufficient market for the sale of the extra quantity. At present, I understand India consumes about 12,000 tons of wire nail, of which Burma takes about 4,000. So India's share is about 8,000 tons of nails. Out of 10,000 tons of wire, India proper takes about 7,000 tons. But this factory alone has the capacity to produce 7,000 tons of nails and 5,000 tons of wire; that is more than half the quantity that is consumed in the whole of India. If it gets further facilities, it will be in a position to produce the major portion of India's demand. We were very careful to note in the Select Committee's Report that they should order rod machine immediately and that unless they comply with our requirements, that is, they are to use Indian raw materials, billets from the Tata Iron and Steel Company and re-rolling machinery of their own, we will revise the whole position. So it is not a question that after 1½ years, we shall not give protection. We are giving assistance now so that this industry may survive during this period of 1½ years and at the end of it, the whole question will be investigated to see whether the firm has complied with the requirements, whether they have installed a rod mill and whether they have really succeeded in proceeding in a way that will ultimately benefit India. The whole question will be considered after 1½ years and a decision will be made as to what should be the adequate protection. I therefore support the motion.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): I had no intention of speaking on this subject, but as my friend Mr. Das brought out the question of a Karachi factory, I want to speak a few words on

[Mr. B. Das.]

firm will at all come under the protective tariff, because, of the primary test of granting protection to a firm—namely use of Indian steel billets—and Karachi will never get a chance of getting steel billets from Jamshedpur. The railway freight will always be high, and the Karachi factory will always have to use foreign billets to manufacture steel rods and other sections. Now if the Honourable the Commerce Member has read the Fiscal Commission's Report, as we have read it on this side, will he say how any industry can expect protection from this House when it uses the raw material of foreign countries? That was not the object of the Fiscal Commission, and in that way no industry can thrive nor will the country benefit. I do not want such an industry to receive protection.

Sir, I am only a party to the protection of this industry to the extent that the Government have given it through executive action by means of the free import of its wire rods, and I am only a party to that up to 1934. Of course there is the fear that the industry might come forward in 1934 and say, "You gave us protection in 1932 and we expected that we could put in a little more capital and you would go on now protecting us for ever". Sir, I hope the Government will make it clear that they will inquire into the condition of this factory in the coming autumn and that they will make it clear that this industry should not expect anything after 1934. Sir, if Government go on giving protection like this, I think they will be losing the necessary revenue from the customs to which the Honourable the Finance Member so much looks forward and by which alone he can balance his Budget.

The other day my friend, Mr. Mody, accused me of preaching false economies. I am sorry he is not here. I think, Sir, after being satisfied that there would be no income-tax levied on the foreign investments of the Bombay capitalists, Mr. Mody managed to leave this House without taking any interest in the protective measures coming forward before the House. Mr. Mody's utterances were very soft: he said, "Unless indigenous industries thrive in India, where 90 per cent. of the people live on agriculture, how can this country prosper?" Sir, we know we have been giving protection under various pretexts since 1924. I would ask my Honourable friend the Commerce Member or the Finance Member to throw some light on the point whether the income of the Government of India has gone up through giving this protection. Have they got more from income-tax from these industries? No, they have not got it. I am sure, because the income-tax figures have been stationery at 16 crores for the last five years, and will remain stationery in spite of the surcharge of 25 per cent. So when a certain section of the people, a very small minority section—the capitalists—insist upon Government giving them protection, and when they tell us that that must be done in the interests of the nation and in the interests of the agriculturists, I strongly differ from my Honourable friend, Mr. Mody, and I ask him and investors in this House and outside, who invest money, "Why do you mismanage and mis-spend the money, and then come to the Government to give you protection so that you can employ fat-salaried foreigners as your servants or earn fat dividends yourselves?" I say the time is coming when . . . .

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): How do you make your living?

Mr. B. Das: I will tell my Honourable friend how I make my living. I am an industrialist, I am an engineer, I do not want to exploit my country simply because I shall get a small percentage extra on the money I or my grandfathers have inherited and invested. I represent the industrial brain of India (Hear, hear), and I do not want that the capitalist should exploit labour . . . .

Sir Cowasji Jehangir: Who is an industrialist? Is he a captalist?

Mr. B. Das: He is not a capitalist if he is a proper industrialist and I wish there were more industrialists in India than the exploiting capitalists. Sir, the time is coming—as I was going to say before I was interrupted by my esteemed friend—when the Government revenues under customs and income-tax will fall, and then this capitalist section, who are now demanding continuous protection, will have to pay excise duties. I joined my friend, who is a big cotton mill-owner and also his predecessor in demanding that the cotton excise duty should be abolished, but now the point arises as to how the Government of the country will be carried on. It will in future be my friend, Sir Cowasji Jehangir's Government and my friend, the Deputy President, Mr. Shanmukham Chetty's Government that will have to carry on the government and the administration of this country. They will need funds. Now in the name of a high protective tariff wall, they have killed the Government revenue but have they ever expressed any inclination to provide other sources of revenue? There was that foreign income-tax Bill in connection with which the capitalists on this side and my friends of the European Group all combined, and they said that they did not want that any more income-tax be paid. My Indian friends in my neighbourhood argued that if Government got hold of more income-tax on these foreign investments there would be less development of industries in India. Sir, if these are not crude economics and crude arguments, I am surprised!

I now turn to my friend Mr. Mody who has talked so much of the welfare of this industry. He said that there are 70 to 80 per cent. of agriculturists in India, and if the capitalists receive protection, the agriculturists will prosper. If my friend Mr. Mody and those who think with him were to have an hour's talk with the Honourable the Finance Member, or even to read the Budget speeches delivered by the Honourable the Finance Member during the last two or three sessions, they would find that it is the prosperity of the agriculturist on which depends the prosperity of the Government as well as the solvency of the Government. Even the solvency of the industry depends on the prosperity of the agriculturists. The industrial magnates may produce their articles but unless there are the consumers, what is the good of producing them. It is no use bringing forward the argument that if protection is given industries will thrive. But to whom should the protection be given? The Government have as much duty to give protection to the consumers and to the people of India as to the investors. Has the investor utilised his investment properly? I do not wish to develop this point, as I have got ample opportunity to develop it in subsequent Bills. But I do wish to give this reply to Mr. Mody because he characterised my speech as full of crude economics.

Sir, I do ask the Government to consider whether this industry will at all be able to compete with the foreign imports by the protective methods

[Mr. John Tait.]

interests". It is pointed out that on the imports figure of the year 1929-30 Burma actually will provide approximately one-quarter of the total revenue to come in as a result of this Bill, while not one nail or one-hundredweight of wire produced in India will ever reach Burma. With the maximum output of this firm so negligible in comparison with the total requirements of India alone apart from Burma, without taking into consideration the steamer freight between Calcutta and Rangoon, it is clear that no wire or wire nails produced in India can reach Burma. The steamer freight alone from Calcutta to Rangoon amounts to Rs. 16 a ton on this class of cargo as compared to the sterling equivalent of Rs. 18-4-0 from Continental ports to Rangoon. It is clear therefore that, until and unless the price in Calcutta of Indian produced wire or wire nails is the same as it is in, say, Hamburg, there can be no inducement to the Burma merchant to purchase his nails in India, and we know perfectly well that the price in India is arrived at after providing for the steamer freight between Continental Europe and India. It is therefore without any question, quite outside the bounds of possibility that for a great many years to come any wire or wire nails manufactured at Jamshedpur will reach the Burma market. Now, Sir, can it be wondered why Burma should regard this as a great piece of injustice? Can it be wondered why the feeling prevalent amongst all classes in Burma should be that the Central Government and the Legislative Assembly are now and have always been interested in Burma affairs only to the extent that they can squeeze money out of the people of that Province? Can it be wondered why at the present time there should be this clamour for separation on the part of the Burmese people? It is just such acts of legislation as the Bill now before the House that have engendered this urge for separation; and what impression do Honourable Members think this irritating Bill will have on those who hitherto have been undecided in their minds whether to vote for or against separation from India? It seems to me that Honourable Members would be justified in drawing some analogy between this particular measure and that perverted statesmanship which resulted in the Boston tea incident and lost the American colonies to the British Empire. Sir, my own opinion is that a great many of these injuring measures in the past have been due very largely to a lack of knowledge on the part of Honourable Members of the conditions in Burma.

Many of my friends here, European as well as Indian, have said to me that until somebody comes from Burma and tells them exactly what the conditions in Burma are and what the reactions of the legislation here are on Burma, the point never enters their thoughts. I do not anyhow share the view so largely held in my province that there is no sympathy here for Burma. Since my association with this Honourable House, my opinion has rather been that as expressed in the words of the Psalmist "Nor in the assembly of the just no wicked men appear". However had it not been for the Statute on the International Regime of Maritime Ports adopted in Geneva in 1923, I should have tested the good-will of Honourable Members towards Burma; but that convention prohibits any differentiation in customs duties at ports in any country, and so it is left to me only to protest against this Bill in the interests of Burma, to condemn it on its merits and to invite my Honourable friends to assist me in rejecting it.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir I have great pleasure in standing up to support this Bill before the House. I am not ashamed to do so, although the indirect result may be that the Government will get a few lakhs more of additional revenue. I consider this more as an investment for the future progress of the country rather than as producing any effective results at once. I am a strong believer in protection. India, following the vicious example of England, has been too long a free-trader, much to the detriment of the real interests of the country. We are to compete with well organised and advanced countries who have developed their industries at great cost and enterprise and who are ready to dump their goods on this land, this beautiful land of millions of customers. We refuse to be mere customers. Our aspiration and our ambition have been that we should also be producers, not only for our own consumption but also for supplying abroad, just as other nations aspire to do. We have got any amount of raw materials in this country which are sent abroad for manufacture and which are returned to us and we pay several hundred times the original cost price in buying those articles. It is a standing disgrace to the Government of this country that they allowed this state of things to continue. Now that they have awakened to the necessity of protecting the industries of this land, I think every right-thinking man in this country should lend his support to such proposals. It may be that one firm may be benefited to-day; but even if it is one single individual who is benefited in establishing this industry in this country, I welcome such a measure. We are wanting in men; we are wanting in capital; we are wanting in education; we are wanting in organising capacity. Until such industries come into the field, there is no hope for this land of ours. We cannot for all time continue to be mere agriculturists to produce for the benefit of other countries. One is ashamed to sit here day after day listening to interpellations from all sides of the House as to the proportional representation of communities in the various public services of this land. I am awfully disgusted with the questions which are put in this House day after day on this subject. Why is that so? It is because of the want of avenues of other employment for the young men and women of this land that the Government are troubled with these questions. I am sure the Government are equally ashamed that they should be faced with such interpellations in this Assembly. We want to open out avenues of honourable employment in every direction, not merely Government service, not merely railway service, not merely the learned professions. We want all sorts of walks of life to be thrown open and educational facilities given for all these purposes. I look to the Industries Member: I have looked till now in vain, for opening fresh fields. I suppose his hands are tied. I do not know why it is so; we had the report of the great Industrial Commission, throwing out so many suggestions: a good many of them are still to come into the field. I think the country will submit even to additional taxation if really all these resources are honestly developed and if the money is used for starting new industries in this land. I do not think we will grudge this extra amount. I am sorry a great nationalist like my friend, Mr. B. Das, should stand up here to oppose this measure, a most beneficent measure. I am afraid he is taking too narrow a view. He is rather obsessed by the fact that only one single firm is given the benefit. By all means, let a single individual benefit; let one Indian concern benefit: whether it be a European or

[Seth Haji Abdoola Haroon.]

this subject. First of all I must say I am supporting this Bill for the protection of wire and wire nails. My Honourable friend Mr. Das just now said that this Bill can give protection only for the Tata factory. As my friend Mr. Mitra said just now, if there is a duty of Rs. 45 on wire and wire nails, then every one will have to get protection. On account of that, all these industries will get protection. I have just now returned from Karachi and I have seen myself the factory started lately in Karachi. They have fixed up the machinery and started it working from the first of this month, and I had been there and seen the factory in running order and they were producing wire and wire nails. If this protection is not given, I do not think these factories can survive. I am told that finished rods can be imported into Karachi at not less than Rs. 7, whereas those manufacturers are selling nails at Rs. 7-4-0 because all the Continental firms have entered into a combine and they are selling at fixed prices rods and wire and wire nails all over the country. So it is very necessary that protection should be given to this industry. I am told by the proprietor of this factory that he himself went to the Continent during the last two years to learn the industry and he brought the required machinery and erected the plant at Karachi. They are now producing galvanised and barbed wire, wire nails and wood screws and bright iron wire. It will be interesting to say here that this latter article is being manufactured by them for the first time in the East. They have also their own packing cases factory, their own box-making factory, their own label-printing machines, and suitable workshops well equipped to handle all their own breakages, etc. Their present scale of production is necessarily low, as they are training their establishments, but the capacity of their producing plant is about 300 tons monthly. I myself have seen the factory and I am told that Mr. Jethanand himself went to the Continent and acquired the necessary experience to make this industry successful. I want to draw the attention of the Honourable Member to the fact that these people have already applied to the Government of India for a rebate in customs duty. At present I understand the Tata Company are getting a rebate in customs duty on raw materials which they are importing from foreign countries. I hope and trust that Government will consider their case favourably and if the Tata Company are getting a rebate, I hope the Karachi concern will also get the same facility. With these remarks, I support the motion.

Mr. John Tait (Burma: European): I rise to oppose this motion. I agree with what my Honourable friend Mr. Das has said, that as a protective measure, the Bill is fundamentally unsound. In the first place, it sets out to protect an interest, which wholly as an indigenous interest does not in fact exist, and moreover will not come into existence until such time as the whole question of protection for the steel industry will come up for reconsideration. On these considerations alone, it seems to me that the case for protection is untenable and falls to the ground. Secondly, it seeks to impose a burden on the people of this land and on trade and development generally throughout the length and breadth of India and Burma from Peshawar to Cape Comorin, from Karachi to Victoria Point with the one definite result, whatever the object may be, of providing a further subsidy of approximately Rs. 50,000 to a small one-man concern, capable only of turning out 2,000 tons of wire and wire nails or approximately one-twelfth only of the total requirements of wire

and wire nails required in India and Burma as measured by the customs imports of 1929-30. Sir, on the total imports of wire and wire nails in 1929-30 of 22,000 tons, valued at 37½ lakhs of rupees, the revenue from the existing duty with surcharge is approximately 6 lakhs of rupees. If this Bill is passed the duty, without the surcharge as recommended by the Select Committee, will amount to approximately 10 lakhs of rupees. Therefore there is just over 4 lakhs of new revenue to come in from this Bill. Now the Indian Steel Wire Products Company is to benefit at the expense of the tax-paying public of India and Burma, as a result of this imposition, in all to the amount of about Rs. 90,000, because the concession which that firm now enjoys of importing their wire rod free of duty is to continue. That concession of which very little notice has been taken hitherto is really a very valuable one. Actually it amounts to about Rs. 40,000 per annum, reckoning the value of its output on the basis of the Customs value of the imports of 1929-30. And therefore it follows that the amount involved in so far as this particular firm is concerned, if this Bill comes into law, is say Rs. 50,000. Briefly therefore the position is that if the Bill is passed, Government will obtain further revenue to the extent of 4 lakhs of rupees and the proprietor of this firm will net a further Rs. 50,000 on the sale of his 2,000 tons of wire and wire nails. In the face of these figures, Sir, can the proposed measure really be justified? If, as is inferred in the report, Government feel morally committed to do something further for the proprietor of this firm, then it is quite within Government's powers to provide a subsidy *ex*-revenue now being earned on the imports of wire and wire nails. But there can be no valid reason on these grounds alone for imposing a further burden on the tax-payers of India.

I would hesitate to suggest that in introducing this Bill Government really were after this extra revenue, small though it may be, but to introduce a Bill on the facts as provided by the Tariff Board Report,—a report the most kindly description of which can only be that it is a most inadequate report,—definitely throws Government open to this accusation; and it is to be very seriously deprecated that such a feeling should be abroad at this time not only because of the extent to which Honourable Members went in November last to support Government but also of the consideration which impelled that support, and further of the assurances that we have had then and since that there will be no further burden placed on the tax-payers of the country. The other day the Honourable the Leader of the Independent Party made some pertinent remarks when he said:

> "We have only recently allowed the Honourable the Finance Member to add very considerably to the taxation of the people and there is no justification for adding further to the burden at this time."

I fully endorse these sentiments and I am sure that if that Honourable gentleman was present in his seat to-day, and assuming that he would be consistent in his views, I could depend on his support and of those who follow him in condemning this measure.

Now, Sir, I come to another feature of this Bill which has added very considerably to that feeling of distrust of the Government of India and of this Honourable House which has been engendered in my province as the result of similar measures in the past. I have been in receipt of messages from Burma protesting in the strongest language against what is described there as "this further injury to and neglect of Burma's

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these two industries lies in the fact that it is hoped that with a suitable measure of protection, industries may be built up upon the use of raw materials made in this country, and if it were not for the possibility of Indian raw materials being used, I think neither of these industries would receive any recommendation for protection from the Tariff Board. But there are two considerable differences between the Indian wire and wire nail industry and the paper industry. In the case of the Indian wire and wire nail industry, there is no experiment necessary to ascertain what is the best class of machinery for the purpose of converting Indian steel into wire rods, from which wire is drawn. The plant can be obtained without difficulty,—I do not know how quickly but it does not require any great length of time; whereas in the case of the paper industry very little as yet seems to have been discovered with certainty in regard to the best machinery to use for the purpose of converting bamboo into pulp, and it was known that the experiment with machinery to convert bamboo into pulp would take a large number of years, and not only would it take a large number of years, but it would cost a lot of money, and owing to the previous losses incurred by the existing industry for paper manufacture, those losses would probably have to be recovered before any further money could be spent in experimenting with bamboo pulp; whereas in this wire and wire nail industry it is only a matter of putting down money for plant and you can use local material, so that that is one big difference. A further difference lies, as I have already mentioned, in the market available. Whereas in this local industry it can at present only make about 2,200 tons of wire and wire nails a year against a market of 22,000 tons, the paper industry is meeting something like 70 per cent. of that portion of the paper market which is protected. So that explains why I am only anxious to carry this industry over during the next 18 months to two years, whereas I would be prepared to support the paper industry for a longer period while experiments are being made in finding out the best machinery for converting bamboo into pulp. I would like to make clearer what I mean with regard to the classes of wire which ought to be relieved. Let me take the example of galvanised iron wire. Here is what we might call a secondary product, we might say it is similar to paper. Paper is a secondary product from pulp, and galvanised iron wire is a secondary product from wire. You must make wire before you galvanise it. No reference is made in the Tariff Board's Report to galvanised iron wire, but I gather from the manager of this local concern, who came to see me, and from other sources, that they are in a position to make galvanised iron wire. They possibly have the plant, but I am not yet satisfied that they can make galvanised iron wire with any reasonable efficiency. It is a very technical process, and judging again from the evidence given in the statutory enquiry into the steel industry in 1926-27, it is by no means certain that the efficiency of Indian labour is sufficient to make galvanised wire so well as to justify protection. Consequently, I want some assurance from the Government of India that it is not the intention of this Bill to protect secondary products. This is not a galvanised iron wire protection Bill. In the same way as paper had to be manufactured in India without protection for several years before a claim could be substantiated that it required protection, so I think with other secondary products, such as, galvanised iron wire, that considerable experiments must yet be made to satisfy the Tariff Board and the Government that there is a future for the making of galvanised iron wire in India. But I do not want to limit the scope of the Government's enquiry to finding out which

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classes of wire might be relieved. I feel myself that there may be many other classes of wire which, considering the smallness of the local production and the large demand, ought to be relieved, and quickly relieved, without detriment to the local industry, and in this connection I might suggest that the case of wire which is manufactured in the United Kingdom should be examined with a view possibly to its complete relief from the effect of this duty. I find from the evidence taken in 1926-27 when the steel industry was being examined, that out of the then import of 6,600 tons of wire, 1,400 tons came from the United Kingdom, and it was stated definitely that that wire was of a high class quality and did not compete with local manufacture; local manfacture competed with the cheap Belgian and Continental wire. I am not satisfied with the assurance that the Government intend to enquire into the matter. I want a definite assurance from the Government that not only are they going to enquire into it, but having enquired, they will use their powers under section 23 of the Sea Customs Act immediately and relieve all classes of wire which, if imported under the revenue tariff, are not likely to interfere seriously with the maintenance of this industry over the short period until this rod mill is erected and a claim for protection on the grounds of its use of Indian materials is established.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): To those of us who have taken part in various debates on measures for the protection of the steel and iron industry of India, the opposition of the Honourable Member from Burma would not come as a surprise at all. On every occasion when this House had to consider the question of affording protection to the iron and steel industry, we have had the voice of protest from Burma, and though the medium through which that voice is expressed might change from time to time in this House, yet the tenor of that voice has been one of uniform protest.

My Honourable friend, Mr. B. Das, to whose criticism on these matters I always listen with the greatest interest, for, though I am a strong protectionist, I welcome his advice of caution which is very valuable in the consideration of these measures—my Honourable friend Mr. B. Das objected to this measure on the ground that at present the industry was in the hands of one particular individual. My Honourable friend the Member from Burma objected to it on the ground that it imposed a very unjust burden upon the people living in Burma. But I would submit that, in considering this measure, the House must look to the wider interests of the country as a whole and not to the particular issues raised by these gentlemen. So long as Burma is an integral part of India, she cannot escape the burdens imposed for the welfare of India at large. This House must look at the question really from a wider point of view. We are importing now on an average over 25,000 tons of wire and wire nails per annum. Since the country is consuming such a considerable amount of wire and wire nails, it is for us to consider whether it would be worth while to give a proper encouragement for the development of this industry in India. Honourable gentlemen who have read the report of the Tariff Board would remember that even in the enquiry of 1924 the Tariff Board found that a case had been made out for the protection of the wire and wire nail industry provided the Tata Iron and Steel works undertook the supply of the necessary wire rods. It was found ultimately in the subsequent enquiries that the Tata Iron and Steel Company were not in a position to supply the wire rod necessary for the wire and wire nail industry. Since

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Indian who starts such industries in this country, I am prepared to shake hands with him, because I want industries to thrive in this land, and these products not to come from other countries. Speaking on behalf of educated India, I think we will welcome such measures and this protection is well deserved, and I strongly support this measure before the House.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Sir, I entirely agree with the views expressed by Mr. B. Das in his note of dissent attached to the Select Committee's Report on this Bill for the development of wire and the wire nail industry in India in so far that the proposed protection should not be granted to an only individual proprietary firm unless some advantage is derived by the country at large. But at the same time we must take into consideration the economic principle involved in the grant of protection to an indigenous industry. There are certain industries in which indigenous capital does not come into the field unless the capitalists are assured that the protection will be granted if they invest their capital in such industries. This is one instance of that particular class of industry in which capital was not forthcoming till the present proprietors of the firm in question invested a large sum of money by way of speculation. If once the protection is granted it may be that for the time being this particular firm will reap advantage but on the other hand, in the very near future there will be several firms established in India for the manufacture of these articles. Necessarily there will be competition amongst such manufacturers and the country as well as the shareholders at large will reap advantage from such protection. Only one thing I have in mind is that a particular date should be fixed when this Act should come into operation, giving the proprietor of the present firm some time in which he can convert it into a limited concern by floating shares of small value without premium to the public, and should definitely place orders for the machinery required for the manufacture of iron rods for making wire and wire nails. In the offchance that the proprietor may invest a further sum in the purchase of such machinery the proposed protection cannot be agreed to by the Legislature. The main idea in the purchase of such machinery is the use of indigenous raw materials in the manufacture of these nails. I think that the firm should be given six months' time by which they can fulfil these two conditions, and if the Legislature is satisfied by that time that the present firm or any other new firm satisfies the conditions mentioned, the Bill may be brought into force. So I have given notice of the amendment. With these observations, I support the motion for consideration.

Mr. L. V. Heathcote (Nominated Non-official): On this occasion, Sir, I am afraid I cannot go with my Honourable friend on my right in opposing this measure, and as there were two other members of this group on the Select Committee, I am inclined to think that he must be in a considerable minority in this group. While we support the Bill, however, we do so only on conditions, and the conditions will be found in the Report of the Select Committee which have been dealt with by the Honourable the Commerce Member when he moved his motion, but I would like to deal with them in somewhat greater detail than he did. The first is in connection with the purchase and erection of a rod mill by this Indian company to

enable it to make use of products from the Tata Iron and Steel Company. It is definitely our opinion that if almost immediate steps are not taken by this concern to get itself into the position when it can make use of Indian steel, this House should have a very early opportunity of repealing this Bill, should it now be passed, and although we have had an assurance from the Government that any unnecessary delay on the part of the Indian concern to erect a rod mill will be brought to the attention of the Legislature at its next sessions, I would like to go further and say that we want an assurance from Government that they intend to repeal this Bill if now passed, should the House be satisfied that inadequate steps have been taken to secure the use of Indian steel in the manufacture of wire and wire nails. That is our first condition. The second condition is in connection with relief from the protective duty to any classes of wire which will not damage the local industry during this *interim* period while it is forced to use imported rods and cannot yet make use of Indian steel. It might be thought that what the Honourable Sir George Rainy said should be enough for us to accept his statement that it is the Government's intention to make an inquiry. Of that I have no doubt, but I am not quite certain whether our views necessarily coincide upon what does constitute a case for relief. In dealing with this, I think we should keep clearly in front of us what this measure intends to secure. It is definitely not intended to secure at present a great expansion of the local industry because it is not making use of Indian steel, but unless some protection is given to it, this industry will go to the wall, and because considerable sums of money have been spent in it, it is the considered opinion of the Tariff Board, and confirmed by the Government, that there is a case for *interim* protection. With that I agree, but I do not want to do more than what the Tariff Board consider should be done, namely to keep the industry alive. Now, we have heard a good deal to-day in regard to the present market for wire and wire nails. Roughly, the total comes to about 22,000 tons a year. The Tariff Board's case for temporary protection to the local industry is based on a production of 2,000 tons a year and although the definite statement is made, as my friend Mr. Mitra pointed out, that the capacity of the plant is 10,000 tons a year, I can find no suggestion in the Tariff Board's Report that everything is ready to produce 10,000 tons a year, and reading the evidence which was given in 1926-27 when the predecessor of the present Indian concern was examined, it seems fairly clear that while we may have machinery to make considerably larger quantities of wire and wire nails, it is not quite so easy to arrange suitably for the extra shifts by which means alone the maximum capacity of the machinery can be secured. It seems to be necessary to have three shifts a day in order to secure the maximum capacity of the plant. Sir, I think we must continue to examine this measure on the basis of the information provided by the Tariff Board. Now, if this Indian concern can produce only 2,000 tons of wire and wire nails a year, clearly there must be several classes of wire which, if imported at the continuing revenue rate, would not interfere with its existence during the coming period, let us say, of two years before the new plant can be erected, and consequently I want an assurance from the Government that they intend to relieve, to the maximum extent possible, all those classes of wire which can be easily distinguished administratively and which do not interfere with keeping the existing industry alive, and I find that there is here a slight analogy between what the Tariff Board recommended for the paper and bamboo pulp industry seven years ago and what they are now recommending for this wire and wire nail industry. The essential similarity of

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the Tata Iron and Steel Company were not in a position to supply the raw material for this industry, this industry must be said to have failed to satisfy the first condition prescribed by the Fiscal Commission, that is, that the industry seeking protection must be able to utilise indigenous produce. (*Mr. B. Das*: "Hear, hear. Stick to that.") That was the position in 1924, and that was the position during the subsequent statutory enquiries of the Tariff Board. What is the position with which we are faced to-day? The Tariff Board have again found that, provided rods for the manufacture of wire and wire nails can be made in India, a very good case could be made out for the protection of this industry. If the Tata Iron and Steel Company will not supply the rods necessary for this purpose, somebody must supply them, and what this Bill seeks to create is a situation which will enable the manufacture of wire rods in this country. I look upon this Bill not so much as a measure of protection for the wire and wire nail industry, but as a Bill which will create conditions for the development of this industry in this country. It is because we on the Select Committee attached very great importance to this aspect of the question, that we have included in our report a paragraph drawing the attention of the Government to the need for the establishment of a wire rod mill by the company which has made an application for protection. Let the House be perfectly clear on this point, that unless the applicants who have asked for the protection of this industry straight away proceed to the erection of this mill for turning out wire rods, the case for the protection of this industry will absolutely fail. It is on this ground that we have asked the Government carefully to watch the situation and make a report to this House at a later stage, but in the meantime I would submit that, on the findings of the Tariff Board, a case has clearly been made out for creating at present the conditions for the coming into existence of the wire and wire nail industry in this country. Sir, it has been pointed out that this new mill which is proposed to be erected will have a total capacity of 45 thousand tons a year, of which 15 thousand tons will be wire rod and the rest will consist of steel bars of sections below half an inch in size. So if the wire rod mill is erected, the Tata Steel Works will be in a position to supply the billets necessary for the wire rods and we would have helped an industry which will satisfy all the conditions laid down by the Fiscal Commission. For these reasons, I support this measure.

Sardar Sant Singh (West Punjab: Sikh): Sir, I am not an economist. So, I will give my friend Mr. B. Das a chance of calling my economics crude. I look at this question from a layman's point of view, and I find that the countries which were free traders till to-day are erecting big tariff walls in their own counries, and yet Mr. B. Das, who was a protectionist in 1924, is turning into a free trader in 1932.

Mr. B. Das: I am still a protectionist, but I want discriminating protection.

Sardar Sant Singh: My friend Mr. B. Das, for whom I have very great respect, says that he wants discriminating protection. I accept his view, and I hope he will remain a protectionist in these days when the industries of India are coming to be developed. In this connection I may

point out that I have carefully read the Resolution of the Government on the Bill and I find that they clearly state:

"They agree with the Tariff Board that until the industry can obtain its principal raw material in India, the claim to protection cannot be substantiated. There is, however, a reasonable prospect that the firm now manufacturing wire and wire nails in India will before long be in a position to supply itself with indigenous raw material, and, taking into account all the circumstances, the Government of India consider that tariff assistance" (The word used is assistance, not protection) "for a limited period to afford the industry a further opportunity of removing the disability under which it labours would be in the national interest."

Sir, after reading this Resolution, the main issue on which the whole question turns is whether this Honourable House is prepared to grant assistance to an industry which later on has a chance of developing into a national industry. In order to decide the question, two considerations will arise. The first would be, is it a national industry and is it in the interests of the nation that this industry should be developed. Secondly, when the House stands committed to granting protection to the steel industry, is it not consistent for this House to continue to grant assistance to subsidiary industries as well in order to widen the scope of the steel industry? These are the two conditions which should determine the vote of the House. My Honourable friend has taken objection to the principle of the Bill in the Select Committee, and I find from his note appended to the Select Committee's report that he has confused the two ideas, protection and temporary assistance to make out a case for protection. In his minute of dissent I find that he says:

"The application for protection was confined to one firm, a private proprietary concern, on whose fair promises the protection has been given."

Again in the last paragraph he says:

"No case, in my opinion, has arisen to give protection to wire rod industry as the plants have not been purchased and as the present manufacturers depend entirely on foreign rod for manufacture of wire nails and wire."

The Honourable the Leader of the House in his opening speech made it very clear that he was not moving for the grant of protection to this industry, but for temporary assistance. In spite of it, my friend still persists in calling it protection. My Honourable friend has quoted a recommendation of the External Capital Committee in support of his note of dissent. I read this Committee's report. My friend did not proceed to quote the whole of recommendation, No. VI, which runs as follows:

"Where investment carries with it the control of an undertaking we consider it reasonable that when Government grants particular concessions to the industry of which that undertaking forms part it should exercise such control over the undertaking as will ensure that the benefits of the concession accrue primarily to the country.

(a) Where the concession is general, as in the case of a protective tariff (and this would include practically every industry in India, as a revenue tariff without a corresponding excise has a protective effect) it is impracticable to effect any discrimination. No feasible suggestions for such discrimination have been suggested to us, nor have any occurred to us during our discussions."

Now, this part of the report clearly lays down, as I read it, that in the case of the protective tariff no discrimination can be made. While writing a minute of dissent to this recommendation, our esteemed and revered leader, Pandit Madan Mohan Malaviya, who was a member of this External Capital Committee, laid down certain rules which really represent

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the views of the country in the matter of granting protection to industries:

"When we Indians asked for protection we did so in order to promote Indian enterprises with Indian capital and under Indian control. The Government of India understood us correctly and agreed with us. Speaking in 1916, on the resolution which led to the appointment of the Industrial Commission, Sir William Clarke, the then Member of Commerce, said: 'The building up of industries where the capital, control and management should be in the hands of Indians is the special object we all have in view'."

Now, may I ask whether the three conditions mentioned by Pandit Madan Mohan Malaviya and cited above are or are not fulfilled by the present concern. If they are fulfilled, then my submission is that a strong case has been made out for the grant of temporary assistance in order to bring about protection later on. Or, again, have the conditions mentioned by Sir William Clarke and quoted by me above been fulfilled? My submission is that a sufficient case has been made out for passing the present Bill. In this connection it will not be out of place to quote Professor Bastable, whose quotations have in fact already been given by Pandit Madan Mohan Malaviya in his minute of dissent. He says:

"The claims of the nation as a whole are accentuated and regarded as far more important than those of the individual or the world at large. How perfectly this attitude harmonises with the actual policy of the European, and indeed of all protectionist states, is apparent. A particular industry is suffering under the pressure of foreign competition, i.e., a national interest is affected. The State then steps in by imposing additional duties on the foreign product, the loss to individual consumers and to the world as a whole being disregarded as unimportant." "Again, protection is justified because it increases the national capacity to produce. Complete commercial freedom may give the greatest amount of value at a given time, but a wise restrictive policy will increase the production of wealth in the future; present loss will in this way be more than recompensed by subsequent gain. The use of protection is substantially a *national* apprenticeship and should be judged in that light."

Mr. B. Das: Yes.

Sardar Sant Singh: My friend entirely agrees with this, Sir, and I may point out to him that this particular industry is a national apprenticeship for two years so that the case on its behalf for further protection may be made out. With these words, Sir, I support the 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.

THE INDIAN AIR FORCE BILL.

EXTENSION OF TIME FOR PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Mr. G. M. Young (Army Secretary): With your permission, Sir, I move that the time appointed for the presentation of the Report of the Select Committee on the Bill to provide for the administration and discipline of the Indian Air Force be extended to the 7th March.

The motion was adopted.

THE WIRE AND WIRE NAIL INDUSTRY (PROTECTION) BILL—*contd.*

The Honourable Sir George Rainy: Sir, I do not think it will be necessary for me to make any lengthy reply to the debate which has taken place on the motion I moved because there were speakers on both sides and they have answered each other. There are, however, two or three points raised by various speakers to which I should like to refer. My Honourable friend Mr. Das has opposed the motion on grounds which have practically amounted to the rejection of the whole scheme of protection altogether. These were answered by other speakers and also the House has already accepted the principle of the Bill. On these points, therefore, I do not propose to say anything. But one of the points which he has mentioned in his minute of dissent, and which he also referred to in his speech, is the desirability of imposing conditions as regards Indianisation, and he also insisted that the firm should constitute itself into a public company. He also maintained that the result of the protective policy has been the payment of very high dividends to those terrible people, the capitalists, the fear of whom is always before his eyes. Now, Sir, I was a little surprised to hear that the result of our protective policy has been the payment of very high dividends because I had not myself noticed these dividends. On the other hand, the complaint that has reached my ears from people who are interested in protected industries is that these high profits are not materialising as fast as they could wish. And, indeed, my Honourable friend Mr. Das himself has recognised that, because in a latter portion of his speech he asked indignantly: "Have we received any advantage in the shape of a larger income-tax from these industries?" "No", he said. (Laughter.) "What then has become of those large dividends and why has my Honourable friend Sir George Schuster not succeeded in getting a share of them"?

As regards the question of Indianisation, that question hardly arises in the present case. There is no doubt at all that this firm at Jamshedpur is an Indian firm. There is no dispute about that. And if the question is that it is a single individual and not a public company, then I would merely put this question to my Honourable friend. What has the proprietor been doing during the last three years? Has he been earning very large profits or has he not, in fact, been carrying the baby and taking the losses upon his own shoulders? I put it to my Honourable friend Mr. Das whether it is his desire that there should always be a public company so that as many people should lose the money as possible? If that is his opinion, I hope it will not be largely shared in this House.

Now, Sir, my Honourable friend Haji Abdoola Haroon told us about the firm which had recently established itself at Karachi for the manufacture of wire and wire nails, and he mentioned that they had put in an application for exemption from the customs duty on their raw material on the basis of the concession given to the firm at Jamshedpur. That application will certainly be considered very carefully. But the difficulty I see about it at present is that, since the basis of the whole thing is the ability to use Indian material ultimately Karachi is the wrong palce for the manufacture of wire and nails because the freight on the raw material will be very heavy owing to the long distance. I have, however, not yet seen the application itself, and I have no doubt that it will be fully considered by Government.

My Honourable friend Mr. Chetty has dealt pretty fully with the objections raised by the Honourable Member from Burma as regards the

[The Honourable Sir George Rainy.]

injury which that province suffers when protective duties are imposed for the benefit of India, and when the conditions are such that the products of the Indian industries cannot and do not penetrate into Burma. That question, as the Deputy President pointed out, has come before the House on several occasions before, and I am afraid the position is still unchanged. In a country of the size of India, it is inevitable that anomalies of that kind should arise if you are going to adopt a protective policy at all. Exactly the same thing happens, for instance, in the United States of America. I understand that on the Pacific coast a good deal of objection is felt to the very heavy tariff on iron and steel when the Pacific States are so remote from the producing districts. Indian pig-iron, for instance, has often been imported into the ports on the Pacific coast because the freight from Pittsburg and other iron and steel manufacturing centres in the United States is so heavy. Therefore, I fear that I can offer no consolation to my Honourable friend on that particular point. He himself pointed out that, under the Maritime Ports Convention, we have no option in the matter and cannot have different rates of duty at different ports.

Then, Sir, my Honourable friend Mr. Heathcote asked for certain assurances from Government. What I feel inclined to say about that is that as a signatory to the Report himself, he is hardly entitled to ask for additional assurances now. One of the assurances he wanted was that, if the firm at Jamshedpur took no steps to install the machinery for making wire rods Government should promise to repeal the Act or, at any rate, bring in a repealing Bill. I should like to point out that there may be an alternative form of procedure supposing it was felt that the duty was serving no object. That alternative would be to bring a Resolution in the Assembly recommending the suspension of the duty until the rod mill was installed. I think speakers on both sides have made it plain that in all sections of the House the feeling is that the ability to use Indian steel in the manufacture of wire and nails is an essential part of the case, and that if there was definite evidence that the condition was not likely to be fulfilled, the House should not be in favour of the continuance of the duty. That being so, Government will take note of it and it is clearly incumbent upon Government in the event, which I hope is unlikely, that no steps are taken to acquire the new machinery, they will have in some appropriate form to bring the matter before the House.

Then as regards the other recommendation of the Select Committee, my Honourable friend desired an assurance that our object and aim would be to extend the exemptions from the duty as widely as possible. Now, what I feel rather strongly is this. When the facts are unascertained as to what the firm can produce and what the demand for the various kinds of wire may be, it seems to me doubtful and unwise to give an assurance which must in the circumstances be hypothetical. Take this point. It is not possible from one centre in India, in any industry with which I am acquainted, to supply the needs of the whole country. There is only a limited economic area within which a firm at a particular centre can meet the demand. I have very little doubt that the comparatively low output of the firm has in fact been due to this fact, because, with only a revenue duty, the area within which they could sell their products without incurring an actual loss was a comparatively small one. If this

duty is imposed, one of the results that is likely to follow is to widen the area within which the firm could sell its products profitably. If that is so, it will mean two things. In the first place the output will go up. On the basis of the figures given by my Honourable friend without working more than one shift, it would be possible to raise it considerably above 2,000 tons a year. The other point is this, that if you are selling within a limited area it may be necessary, in order to sell your output, to sell a wider variety of products than would be necessary if you were in a position to sell your products all over India, because within that limited area, the demand for any one class of wire, let us say, of galvanised wire, would be comparatively small. Now, in circumstances of that kind, I do not see how I can go further than I have already gone. Nobody wants to impose an unnecessary burden upon the consumer, and Government will certainly examine the question as fully and thoroughly as they can, but in the last resort, we have got to weigh one thing against another. On the one hand if we exempt particular kinds of wire from the duty, will the result be to impair the protection intended to be given? On the other hand, will the result be to impose an unnecessary burden upon the consumer? The two things will have to be weighed against each other. For that reason, I do not think I can add any further assurance to what I have already said. That, Sir, I think covers all that I need say in reply to the debate. It is true that my Honourable friend Mr. Heathcote did put in a request for an assurance about secondary products, but I do not feel myself that you can, in this industry, discriminate or classify products in that particular way. The position is that none of the wire products will be excluded from the scope of inquiry, but I think it would be a mistake to single out particular products as if they were to be the sole or particular object of the enquiry. That concludes what I have to say.

Mr. President: The question is:

"That the Bill to provide for the fostering and development of the wire and wire nail industry in British India, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

The Schedule was added to the Bill.

Mr. President: Clause 1.

Mr. Bhuput Sing: I beg to move that after clause 1 the following be added:

"That it shall come into force from 1st September 1932."

I have already explained in the consideration stage why six months time should be allowed before the Bill comes into force. I do not think that the industry will very much suffer if the duty comes into effect after six months. In the Select Committee it was also said that:

"If the Bill is passed we consider that Government should satisfy themselves on the point whether the industry has taken definite steps to put itself in a position to manufacture wire and wire nails from indigenous material and, if it has not done so, should bring the matter to the notice of the Legislature at its next session."

[Mr. Bhuput Sing.]

I want that it should be definitely laid down in the Bill, that after they import the machinery required for using indigenous materials, the duty should be imposed and not before that. We should also wait and see that the company is converted into a joint stock company, and that it does not continue as a private concern. If it fulfills all these conditions, we will be in a better position to decide whether the protection proposed in this Bill should be afforded. Sir, I move.

Mr. President: Amendment proposed:

"That after clause 1 the following be added:

'That it shall come into force from 1st September 1932'."

Mr. B. Das: I second the amendment. I entirely agree with the arguments advanced by my Honourable friend Mr. Bhuput Sing.

Mr. N. R. Gunjal (Bombay Central Division: Non-Muhammadan Rural): (speaking in Marathi): Sir, I support the amendment moved by the Honourable Mr. Bhuput Sing.

Mr. S. C. Mitra: I think the Honourable Member has not understood the main purpose of this Bill. If the industry is already killed, after its death what is the purpose of giving protection? I think there is a fundamental difference. As a matter of fact, as I have already said, this Bill itself is not for the protective duty. As my Honourable friend Sardar Sant Singh said, it was merely giving assistance to continue the industry till the proper time comes for considering the question of real protection. If this amendment is passed, nothing will be gained by passing this Bill.

Mr. R. K. Shanmukham Chetty: There is one point which I would like to bring to the notice of my Honourable friend, and on a consideration of which I expect he will withdraw his amendment. In all cases where a protective duty is imposed, if a considerable time is allowed to lapse between the imposition of the duty statutorily and the coming into effect of that duty, the tendency will always be for the foreign importers to import into the country as much quantity of material as possible to escape the duty when the duty comes into operation. Therefore if this interim period of six months is given, during those six months, wire and wire nails which are to be consumed in the course of the next two or three years will be dumped into the country, and when the duty becomes operative, then it will fail to achieve its purpose. In view of this, I hope my Honourable friend will withdraw his amendment.

Mr. Bhuput Sing: I beg leave to withdraw the amendment.

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

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir George Rainy: I move that the Bill, as amended, be passed.

The motion was adopted.

THE WORKMEN'S COMPENSATION (AMENDMENT) BILL.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): Sir, I move that the Bill further to amend the Workmen's Compensation Act, 1923, be circulated for the purpose of eliciting opinion thereon.

We have tried, Sir, to explain with some care and in some detail the intentions and the scope of this piece of legislation, and the Statement of Objects and Reasons and the notes appended thereto, for the length of which I offer an apology to this House, are I think evidence of that endeavour. I do not think therefore that it will be necessary for me to do more than summarise very briefly the main provisions which this measure seeks to place upon the Statute-book. The first important change lies in the general enlargement of the various existing classes of workmen who are entitled to compensation. Apart from that we have added only one entirely new clause of any importance, namely, the class of workmen on plantations. The Royal Commission on Labour estimated that the result of the addition of new classes would be to add approximately two millions to the four million workmen who it is estimated are now covered by the existing Act. But, Sir, I would point out that the risk of accident on plantations is so extremely limited that the increase here in the number of workmen covered should not be taken as any index to the number of possible claims.

The next change of importance is the enlargement in the scales of compensation. The effect of the new scales will be to increase largely the compensation to the most poorly paid and to the best paid worker, and they will also have the result of increasing in varying degrees in all cases compensation in the case of temporary disablement. Then again, Sir, under the existing Act the employer's liability is limited by certain provisos laid down in section 3, sub-section (1) of the Act. We propose to remove those provisos in the case of fatal accidents. The result will be that certain defences, as for instance, that the deceased workman was drunk or had himself removed a safety device, will no longer be available in the case of fatal accidents. We propose, Sir, a number of smaller but none the less important changes in the Act; for instance, we propose to enlarge the term "dependants" so as to make it possible to include widowed sisters and widowed daughters. We propose to reduce the period of waiting for the payment of compensation in cases of temporary disablement from ten days to seven days. We propose to add a number of occupational diseases to the list already covered by the existing Act. If Honourable Members of this House will be so good as to turn to the notes appended to the Statement of Objects and Reasons, they will find the various innovations which this Bill seeks to bring about dealt with seriatim.

Now, Sir, in undertaking labour legislation, Government have almost invariably had to face attacks from exactly opposite angles. On the one hand we have been charged with moving too rapidly for Indian conditions, while exactly the reverse complaint comes from those eager and impatient representatives of labour who charge us with lagging behind with leaden feet. If I may be permitted a confession of my personal faith in this matter, I would say that any Government, which failed to recognise that the welfare of the workers of the State was one of its primary obligations and failed to progress steadily towards the liquidation of that obligation, would be in danger of losing one of the strongest moral justifications for its existence. At the same time, Sir, it is absolutely essential for us not

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to turn a blind eye to the other side of the picture. We have to realise that social and industrial conditions in this country are different from conditions in the West and we must be careful not to impose prematurely upon a young industrial country burdens which may crush or attenuate its growth and so may recoil upon the workers themselves. I claim, Sir, for the Government of India that we have always steadily adhered to the principle which inspires the whole of the Royal Commission's report and I claim, Sir, that that principle it is that makes that report so valuable a guide to future practical progress in this field. I claim that the Government of India have gone forward for many years steadily and firmly, but that they have never departed from that principle of gradualness in progress which is forced upon us by the sober logic of facts as they are. We recognise, Sir, that this Bill seeks to introduce a number of important changes in the existing law, and we are therefore moving for circulation so that criticism may be available from all interested parties. Sir, I move.

Mr. N. M. Joshi (Nominated Non-Official): Sir, before I offer any detailed remarks on the recommendations contained in the Bill, I would like to say a few words about the recommendations of the Royal Commission. Sir, the Royal Commission on Indian Labour, of which you were a distinguished member, has made recommendations on several subjects. I admit that the recommendation on which the present Bill is based is one of the important recommendations. But I feel that the other recommendations contained in the Report are as important, and in some cases more important, and more urgent, than the recommendation on which the present Bill is based. I would like therefore to know from the Government of India what they propose to do about those recommendations. I am glad that they have introduced this Bill, though not immediately after the publication of the report, still not very late; but if the Government of India propose to take up each recommendation in one session, then I am afraid they will take several years to deal with the whole report. I would therefore like to know from the Government of India what programme they have made to give immediate effect to the recommendations of the Royal Commission on Indian Labour.

3 P.M.

There is the question of the hours of work; the Royal Commission has made a recommendation on that subject; they have also made several recommendations about the other changes required in the Factories Act. They have made recommendations about the maternity benefits. They have also made certain recommendations about an inquiry for preparing some scheme for providing against sickness and for the relief of unemployment. I would like to know what programme of legislation they have in mind to give effect to these recommendations at an early date.

I feel, Mr. President, that the Government of India were too late in the appointment of that Royal Commission. The need for an inquiry was felt for a very long time, and the Government of India waited and waited; they were afraid of an inquiry, and I remember Sir Charles Innes stating in this House that if the Government of India undertook an inquiry into the conditions of railway workers, there would be a sort of rebellion or revolt in India among the railway workers. But it was left to Sir Charles Innes to ask the Royal Commission, when the Commission were doubtful

if they should visit Burma or not, to send an invitation to the Commission to visit Burma without delay. I therefore feel that the Government of India were too late in the appointment of that Royal Commission. They waited; they waited till the discontent came to a head; they waited till there arose in the country the danger of the growth of communism, and it is a matter of regret to me that the Royal Commission should have been appointed as a compliment to the communists in India rather than as a result of the desire of the Government of India to do well by the working classes of this country. And now I feel that the Government of India should not wait too long in giving effect to the recommendations of the Royal Commission. I would therefore like to know from them what their programme is in this connection.

I quite realise that my friend, Mr. Clow, has been placed on special duty . . . .

An Honourable Member: It is not true.

Mr. N. M. Joshi: I read that in the papers; I am told that it is not true. I am sorry to hear that it is not true. I feel that the Government of India should do everything in its power to give effect to these recommendations. I thought, very wrongly as I now learn, that a capable officer like my friend, Mr. Clow, was on special duty; now I am told he is not. If the Government of India will not make proper provision for giving effect to the recommendations, the result will be —I will not say disastrous—that the people for whom they intend to pass this legislation will not be very thankful to them. I therefore feel that immediate provision should be made for giving effect to the recommendations of the Royal Commission without delay.

I know that the Government of India may plead that the present is a time of retrenchment and economy. But in the first place, there are many recommendations in the Report which do not require much money to be spent by Government. The burden will be thrown on some others, and in the case of some of the recommendations there will be no burden thrown upon any one. I therefore feel that there is not much force in the argument that the present is a time of retrenchment and economy. Even if there is some difficulty about money, I feel that this is an object on which economy should not be exercised at any time.

The Honourable Member in charge of the Department stated the general policy of the Government of India on labour matters. He said there is a danger of some people accusing the Government of India of moving too rapidly. I have never heard of this accusation against the Government of India. I have never heard of any one saying that the Government of India was capable of moving too rapidly in the matter of labour legislation . . . .

Sir Cowasji Jehangir: It has been said.

Mr. N. M. Joshi: I have not heard it. The Honourable Member also said that the policy of the Government of India was that of gradualness in progress. I am not a revolutionary. I believe also in the policy of gradualness; but gradualness may be carried too far. I believe in gradual evolution; but if you make evolution too slow, it is the too slow pace

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of evolution that makes revolution possible and practicable. I therefore warn Government that although they may follow a policy of gradualness and evolution, they should not make too much of that policy of gradualness.

The recommendations of the Royal Commission are now before the public. As a member of that Commission it is rather difficult for me to speak about those recommendations, having signed that Report of the Commission. But as the Report itself makes clear, the Report of the Commission gives the collective view of the Commission, and it is quite possible that individual members like myself may have views which may go a little beyond the collective view. I am therefore on this occasion going to place before the Assembly my individual views on some questions which are before the Assembly.

The Honourable Member stated what the main features of the present Bill are. The original Act, called the Workmen's Compensation Act, was itself a very timid and half-hearted and halting measure; the Government of India at that time thought that this was the first Bill of this kind and they should go slow. Not that I agree with that policy, but some people may say that there was justification for that policy at that time, but now we have had a good deal of experience of this legislation, we need not necessarily be too cautious. I am glad that the Commission has recommended a more extensive application of this Act, but I feel that the recommendation of the Commission does not go far enough. The Commission itself has admitted that when you want to give compensation for accidents to workmen, there is no logical justification for excluding any one class of workmen from the benefits of that legislation. If you give compensation for accidents to one class of workers you cannot logically exclude some other classes of workmen from the benefits of that legislation. The Commission has admitted that fact, but they state that if you extend the application of this Act more widely than they have recommended, there will be some practical difficulty. They state that if you extend the application of the Act beyond what they have recommended, there will be necessity for compulsory insurance by the employers for the payment of compensation. There may be some employers who may be too poor to pay the compensation unless they insure for this risk. It is quite true that if the Bill is made applicable to all the workers in the country there will be some employers who will be too poor to pay the compensation against, say, the death of an employee; they will not have the lump sum in their possession; but I do not think that the setting up of a system of compulsory insurance is an impracticable measure. I feel that compulsory insurance is a practicable measure if we only give up our timidity and follow a bolder policy.

Then the second argument of the Commission against the wider application of the Act beyond what they have recommended is that you may give a right to people which they will not be able to enforce due to ignorance and other difficulties. I do not agree with that argument also. It is quite possible that on account of the ignorance of our working classes and on account of various other difficulties some people may not be able to enforce the right which the law will create, but I feel that is not an argument which should prevent some others who can enforce their rights from enjoying the benefits of this legislation. I feel, therefore, that the Commission and the Government should have adopted a bolder policy in

widening the application of the Workmen's Compensation Bill. I personally hold that a compulsory system of insurance could be established by Government. It is true that a compulsory system of insurance should not be left to private enterprise. The Government of India have undertaken many undertakings which few Governments in the world have undertaken. We run the State Railways to an extent which few Governments in the world do. So why should not the Government of India be in a position to establish a compulsory system of insurance?

Secondly, although I am not in favour of private individuals monopolising insurance business, I shall not be against employers by their cooperative effort establishing insurance agencies. I feel that by means of the State insurance system and mutual insurance system it is possible to establish sufficient insurance agencies and provide for all risks which we want to provide for.

Now, I would like to say a few words about the classes to which the Act is now intended to be applied. I shall first take up the class of transport workers. Here the Government of India propose to extend the Act to a few more classes than in the previous Act, but here again I feel that the application of the Act could have been much wider than what is proposed in the Act. The Government of India propose that the Act should be applied to vehicles which are conducted by some mechanical means such as motor cars and buses, but they restrict the application only to those vehicles which are run for commerce or for carrying passengers for hire, but why Government should not apply that Act to private motor cars, I cannot understand. People who own motor cars are not poor people; they are not ignorant people, and I do not know why the chauffeurs employed by those people who own cars should not get the benefit of this legislation. Then I will take the class of people who are working in factories. Here again the Government of India should have gone much further than they propose to do. I would suggest that the Act should be applied to every factory irrespective of the number of people employed which is run either by steam power or electrical energy or any other motive power of this nature. The Government of India want to restrict the application of this Bill to larger factories which are covered by the Indian Factories Act, but we need not necessarily restrict the application of this Act to those factories only.

Then, Sir, the Government of India propose to restrict the application of this Act to those workshops where 50 or more persons are employed. Here again I feel that its application should have been made much wider. Workshops, which employ 10 persons or more, should be brought within the scope of the Bill.

Then, Sir, the application of the Act is also limited to those people who work on ships having a capacity of 50 or more tons. I feel that this restriction is also unnecessary. There should be no difficulty in securing compensation from the owners of ships who could get them registered.

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

I would even extend the application of this measure to all people engaged on all ships plying in Indian waters, whether the ships are registered or not. Then, Sir, the Government of India have restricted the operation of this Bill to buildings which have more than one storey or buildings which are

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more than 20 feet high. I feel that this restriction is unnecessary. This Bill could be extended to all buildings at least within some areas. Again the restriction of height placed upon people who are engaged in constructing dams and embankments and digging excavations is also unnecessary. The Bill proposes that only people employed in constructing dams and embankments and digging excavations of more than 20 feet in height or depth should get compensation. This is too much of a restriction. I feel this limit could also be reduced to a great extent.

There is a recommendation made by the Royal Commission on Labour about people engaged in cutting forests. I would like to know from the Government of India what they propose to do with that recommendation. There are obvious risks undertaken by people who are engaged in cutting forests or sawing wood. In these operations there is danger from the operation of cutting itself, and there is also the danger from wild beasts, reptiles, etc., and therefore these risks should be provided for. The Royal Commission on Indian Labour have also recommended to the Government of India that they should make enquiries how people engaged on large scale agriculture should be protected against accidents. I do not wish to go into the details of this question, but I feel that the Government of India should make every effort to make the application of this Bill as wide as possible. If at all the Government of India want to restrict the operation, I would suggest that where they find that its application would be made impracticable on account of the people who will be included, being in villages and being very poor—I suggest when they begin to widen the application, they may in the beginning widen it fully within municipal limits. They may not go to villages in the beginning, but it is quite possible to cover every class of workmen if they restrict the wider application to definite areas, such as municipal areas.

Then, there are a few other important questions which I would touch upon very briefly. The first question that I would like to touch upon is the question of waiting period. In accordance with the provisions of this Bill, the man has to wait for 7 days before he becomes eligible for compensation. In the original measure the period was 10 days. I am glad that the Government of India has made gradual progress and they have now cut it down to 7 days. But I feel that even 7 days is too long a period for waiting. In England the waiting period is only 3 days, and I do not know why in India we should have a period of 7 days. I cannot see any justification for this difference between the English legislation and Indian legislation. Then, the Honourable Member in charge of the Bill stated that the Government of India have agreed to remove the defence of wilful misconduct in the case of those accidents where death is caused. I am glad they have taken a forward step, but they should have done this even in the original Act. I remember having pleaded this course to the Legislative Assembly at that time, and I am glad that the Government of India have seen the wisdom of that course though rather late. But, it seems to me that the Government of India, even in this matter, does not go sufficiently far. As a matter of fact, the majority of the members of the Royal Commission recommended that this defence of wilful misconduct should be removed also in the case of those accidents where permanent disablement is caused. Now, I do not know why the Government of India should not accept the view of the majority of the members of the Royal Commission and should accept the view of the

minority in this matter. They do not give sufficient justification for this step. I hope that the Government of India will accept the view of the majority in this matter.

The next important subject in connection with this Bill is the subject of the rates of compensation. I am glad that the Royal Commission has recommended that the scales of compensation for the lowest paid workers should be raised. This is quite a satisfactory thing, but I feel that it is not enough. I think in India, especially in a city like Bombay, the number of people who get more than Rs. 20 is very large, and I do not know why we should not increase the rates of compensation for these people. Similarly, in the case of temporary disablement, they have made recommendations for increasing the rates of compensation in the case of people getting Rs. 30 and less. There again I feel that the rates of compensation for all classes of workers should be raised. I am glad that the Government of India have agreed to raise the rates of compensation for certain classes of highly paid men. I am glad that they have done it, but I am very sorry that they have omitted from this beneficent action of theirs those people who are neither the lowest paid nor the highest paid. I can realise that on account of the re-grouping of the different scales there may be a slight increase in the case of all people, but this slight increase will be absolutely negligible. I feel that the rates of compensation which we are proposing are very meagre. If we compare the rates of compensation paid in England, our rates are very meagre. Originally these rates may have been kept meagre because we had no experience, but we have now sufficient experience and I feel that when the Bill is taken into consideration later the Government of India will agree to increase these rates considerably. I do not propose to go into the details of these rates. I am quite sure that when the Bill is circulated for the expression of public opinion, recommendations will be made for the increase in the various rates of compensation, and I hope that the Government of India will take into consideration the recommendations that may be made and will not be hard upon those people who are neither the worst paid nor the most highly paid. I hope that the Government of India will agree not to go too slow, nor to be too halting, but that they will take a bolder attitude in the matter of legislation, and I am quite sure if they take up a bolder attitude in the matter of labour legislation and labour welfare that both the industry and the Government of India will benefit.

Mr. K. Ahmad (Rajshahi Division: Muhammadan Rural): I have listened with great interest to the speech regarding the further amendment of the Workmen's Compensation Act, 1923, delivered on the motion for circulation by the Honourable Member for Industries and Labour. This motion is at present simply for circulation for opinion. My friend Mr. Joshi has given an outline of the subjects on which compensations should be given to workmen and I am grateful to him for that, but there are certain matters which came before the Royal Commission on Labour of which I was a member also. Now, Sir, Sir Joseph Bhore was a Secretary here for many years before he took up the portfolio of Labour and Industries and he must have been watching how the promises were given in connection with this subject by the Government of India. Sir, the Royal Commission on Labour considered the subject of the compensation to Indian seamen employed by shipping agencies here in India for

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the sea-going vessels both British and foreign registered outside India. The Chairman of the Royal Commission on Labour was the Right Honourable Mr. J. H. Whitley, and there are some members from England also. We were there in that Commission working for about two years. Now, Sir, this Workmen's Compensation Act was passed in 1923, and since then there have been some amendments in some directions. The Statement of Objects and Reasons in the present Bill says:

"A few amendments which were designed to remedy admitted defects or to embody improvements . . . . These proposals which involved the modification of the principles underlying the Act or its more important features were referred by the Government of India to Local Governments for opinions in a circular letter in 1928. Copies of this circular letter and of the replies received thereto were supplied to the Royal Commission on Labour who have, after reviewing the question in the light of further evidence supplied to them, made a number of recommendations on the subject in Chapter XVI of their Report. This Bill follows these recommendations closely."

Now, Sir, I cannot agree with the Honourable Member when he says that Chapter XVI follows the recommendations of the Commission "closely", because he has made an omission. There are about two lakhs of people working in the sea-going vessels registered in foreign countries and also Great Britain that ply between the ports of Bombay, Calcutta, Chittagong, Rangoon, London, New York, China and other Eastern countries. Now, Sir, there are certain articles of agreements, rules and conditions of recruitment. Government have been very slow in moving towards the right direction in the matter of these rules, conditions and articles of agreements entered into between the seamen and the ship-owners during recruitment. Everybody knows the great hardship that these seamen, lascars, have to undergo. They work in the middle of the sea. They work in the engine room. They cut their finger, some portion of their body is burnt, some people die, ships are torpedoed, some are taken prisoners, some are drowned, and yet the amount of compensation that is given to these people is not adequate and Government have been very slow to move in the matter. Our Commission consisted of old and experienced men from England. All of them in a body agreed and we have said that the Government of India should try their utmost to expedite the matter of getting these seamen's relatives and dependants claim satisfied in Indian courts which should have the jurisdiction of deciding the amount of compensation for injury done on the sea during the voyage and to give relief to these people. The majority of the seamen are engaged in British vessels registered in foreign countries. About 75 per cent. of the total number of seamen are engaged by British ships that are registered in England and in Great Britain. About one-eighth of them is registered in this country. That is in coastal and inland vessels. Therefore about seven-eighths of them do not get proper help and relief. These people are poor and needy and come chiefly from East Bengal and Assam. Some of them are illiterate, some can read and write and almost all of them are unsophisticated and they undergo a lot of hardship. Their relatives and dependants in this country are not allowed, for want of jurisdiction, to bring any suit in Indian courts for recovery of their workmen's compensation, as a suit will only lie against the shipping company in the country where their ships are registered and a suit for compensation against such ship-owners will not lie in India. No court in India has got any authority, and it is not within the jurisdiction of any

court for any one here to file a suit under the law for compensation. Nor have the Government taken any trouble to make proper arrangements for relief. In this country there is a Commissioner; and probably several of our friends know that in the Writers' Buildings in Calcutta, there is an I. C. S. Officer like the Honourable Mr. Clow who has some discretion, and who, without any evidence on record or without going into any particular document, might offer both on behalf of the employer, as well as of himself, a certain amount of money to be paid as compensation to the relation of any person whose hand probably is fractured, or to the family of a man drowned in the midst of the Mediterranean Sea, owing to a fire in the engine room. Possibly a paltry sum of Rs. 50 is considered sufficient for the relatives, and they have got no voice in the determination of this sum. They have got no help to appeal, and they have got no chance to bring in a suit. Suppose Mr. Rangachariar's client one seaman's relation in Madras wanted to sue a company which registered the ship in Great Britain or in any foreign country, no cause of action either in Madras or at Cawnpore or in Bombay or anywhere else in India would lie and a suit would lie only in England or in some foreign countries where these poor people are dragged on board the vessels registered in those places. That is the law. I am sure my friend, Sir Cowasji Jehangir, if he were the proprietor or a shareholder of any such concern, would not allow his Indian seamen to go there under those conditions. But, Sir, here are my European friends. I do not find here the Honourable Mr. Browne, representing the B. I. S. N. Company who is in the Council of State. I wish he were here. I do not find the Burra Sahib of Hoare Miller & Co., Sir Campbell Rhodes, who was a member here about 5 or 6 years ago and is now at Whitehall, and I do not find any other shipping representatives. But I ask, will this sort of thing be continued in the régimé of my Honourable friend, Sir Joseph Bhore? Sir, I may here mention I put certain questions to my Honourable friend's predecessor, Sir Bhupendra Nath Mitra, about three or four years ago. Sir, he was a very good gentleman, but he was always hoping against hope. He made all sorts of promises—they are all in the debates. He said, "Well, we shall write to the Secretary of State, we shall write to the Board of Trade in England, without whose sanction we cannot move because these registered companies in England are the only persons who can do anything in that direction and the Government of India have got no control and no power to do anything". (Laughter.) Well, if the front benches of the Treasury Benches conform to that description, I may say they are no better than masters of slaves. What happens with regard to the justice that one expects on the subject? There are six or seven Departments here. Even the landholders come under the Department of Education, Health and Lands. The poor people of this country will simply have to groan under them, and here promises after promises are given. At the same time I must tell these three Honourable Members of the Executive Council representing this country—some of them perhaps represent the better half of the Indian section—that if they are treated like this or if they allow themselves to be treated like this, and if they cannot make up their minds, to do any good to the country, well, it is a very great pity! My friend, Mr. Joshi, says that it is "too slow". But if the European Association on my right says that you Indian Members representing the people of India are going and moving too rapidly and that you should crawl on the floor of this House and roll, otherwise you will get a fracture of your leg and of your arm, what shall I say? I ask, in all seriousness, will you allow any Englishman, will

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you allow those people working in the interior of those English countries to do this sort of work and get their hands and feet fractured without getting the compensation allowed by the law of every country? Certainly not! My Honourable friend, Mr. Clow, borrowed certain lines from the text book of international law, I believe, to show that there is some material for him in this international law to oppose me. Now what does that do? Mr. Clow thinks the law goes on board the ship to the foreign country and that law is such that you cannot do anything because, though these Indian crews and lascars are recruited from India by the shipping agency provided by the Act, nothing is done to safeguard their interests. Why in the analogous case of the supply of recruits for the tea plantations or mills from the Central Provinces is the law different? These poor people are recruited through the help of the Shipping Act, because there are certain agencies in every part and the British Government supply those people, but I complain that they do not take any trouble for these poor seamen to see that their interests are safeguarded. These people are lured there, and they leave their wives and children and families behind, and if they die or are shot or are injured, the Compensation Act will have no application on the vague ground mentioned by Mr. Clow that, "No, there is an international law,—the law of the country in which the ships are registered, that moves with that on board the steamer and therefore the shipping agencies which supply the Indian seamen will not be able to secure the damage". I "explored" that point myself because I happened to be a member of the Royal Commission on Labour that has also "explored" the same including my friend Mr. Clow. There, Sir, when certain witnesses from Whitehall came, my Honourable friend never "explored" that question, because as I think he never had the courage to put that question and get it cleared because people came there not only from the Home Government but from the Board of Trade Office in England. Well here also the Advocate General of Bengal who is now the Law Member here, and his Secretary who is now a lawyer, were consulted I believe—because I did see Mr. Clow consult them about international law, but I do not think he would have got much protection,—because I happened to be a student of international law myself. (Laughter.) I shall read a few lines of Mr. Clow:

"It is a general principle of international law that on a ship belonging to a particular country the law applicable while on the high seas of that country and those embarking whether they are seamen or passengers of foreign ships go outside the protection of their own law for the time being."

Can my friend Mr. Clow or any other person point out to me what right they have or how they can supply these men on board a foreign vessel without getting some sort of protection for them? Certainly not with that kind of notion of Mr. Clow. Three-fourths of these men come on British vessels registered in Great Britain and therefore their excuses are lame. Then further on they point out why it was not done. The answer is given in the Report at page 301:

"The majority of these Indian seamen serve on British ships. We recommend that the possibilities of giving Indian seamen the right of compensation while serving on ships registered outside India should be further explored by the Government of India and the Home Office. Special attention should be given to the possibility of extending the Indian Act to Indian Seamen while serving on all ships in the Indian territorial waters and on British Ships engaged in the coastal trade of India. . .and the Merchant Shipping Legislation gives some reason for hoping that an advance will be possible in this direction."

Well, Sir, we examined the witnesses and we did not find anything against such protection of Indian seamen. The Report was written out and signed in March last year and it was published in last June and it is now certainly some time elapsed already that the Report had been in the hands of Sir Joseph Bhore. In the meantime, Mr. Clow was enjoying his holiday. He became a special officer for some months and as a result of his labours only this Bill has been brought here out of hundreds and hundreds of recommendations made by the Royal Commission on Labour. That being the case, I hope Government will immediately send this Bill for circulation with these observations and criticisms of mine. They will get sufficient time to consult all those bodies that are mentioned in the Report. Government will also find that there is no excuse or practical force in the possibility of these men's getting their claim satisfied with the double payment one here in India and another in a country where the ships are registered, because every action lies for these damages in Great Britain or in foreign countries where the ships are registered as well. Therefore, if these uneducated and illiterate people from East Bengal and Assam institute a suit there, in England and elsewhere in foreign countries, it is quite natural that they should be allowed to institute a suit here as well. And if a man is injured, the suit will be instituted in a foreign country also. Is that possible? Well, Sir, I have also written some recommendation on this subject in my note appended in the Report of the Royal Commission (pages 490 to 492) which I should like to read to the House:

"I cannot agree to the interpretation of our terms of reference which takes away from our purview conditions of seaman on ships registered outside India. If the foreign shipping companies have any branch offices in India, and the Articles of Agreement are signed either in these branch offices or in the Employment Bureaux, the establishment of which I have recommended, then I consider that it will be perfectly within the jurisdiction of the Government of India to regulate the condition under which such foreign companies engage Indian seamen. My second recommendation therefore is that the officer-in-charge of the Government Employment Bureaux should draw up model Articles of Agreement detailing hours of work, and living conditions on board, and that these Articles be signed by the representatives of the shipping companies and by the seamen on Indian soil. Indian courts should have jurisdiction in the matter of enforcing these agreements.

* * * * *

I do not agree with the observation made in Chapter XVI at pages 299—301 with regard to the applicability of the Workmen's Compensation Act for injury and loss of life to Indian seamen engaged on ships registered outside India, nor do I agree that the principle of International Law can debar claims for such damages in any court in India by the seamen's relatives or dependants, since the seamen are recruited on Indian soil under the supervision of the shipping master appointed by the Government of India. I have recommended that seamen's Articles of Agreement in all cases should be signed on in the Employment Bureaux at the shipping office and not on board the ship, and I would also insist that the printed forms of agreement supplied by the shipping office include a clause entitling a seaman to enforce his claim for compensation in any court in India in the same manner as other claims such as a claim for arrears of salary, etc."

For arrears of salary even when they are recruited in ships registered in Great Britain or in foreign countries, they can institute a suit, that is to say, the captain of the ship can be sued. But the curious part of it is that compensation for injuries received cannot be claimed for want of jurisdiction. Under these circumstances, I do not like to make a lengthy speech because the whole subject has already been set out by my friend in pages 299-301 of the Report of the Royal Commission on Labour. But before they get the opinion from outside bodies, I hope they will be able to find sufficient time to enable those people who are

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recruited by the Indian shipping agents here to foreign countries to make a claim for their compensation here in India. This matter has been under the consideration of the Government of India for some time now and they have already received a number of resolutions from the representatives of these poor people. The Government has made no such arrangement, in England, America and other countries as it is necessary. Nor there are any unions of them to take up their work for recovery of the damages and compensation for their relatives and dependants in the foreign countries.

An Honourable Member: You go there and stay there.

Mr. K. Ahmed: You cannot stay there also. I know a number of seamen who have been to America on board the ship. On the pretence of purchasing something they keep themselves hidden somewhere in New York and the C. I. D. people are engaged by the captains of the ships to find them out. I know some of these poor people were working in the Ford Car Company and they returned to India with Rs. 10,000 to Rs. 15,000 in the form of cheques after a few years. They could not get any help even to cash those cheques after they came back from America.

The American bankers give these poor people drafts and when they go home to the district of my friend Mr. S. C. Mitra or to the district of my friend, Mr. Abdul Matin Chaudhury, these poor people cannot get these drafts encashed. Seeing the incomes they made at New York, I may tell the House that they would be much better off if they were allowed to remain in that country and so Mr. Jog's question will be answered in the affirmative and he will be greatly welcomed by these people.

4 P. M.

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): This Bill is being sent out for circulation. This is not the occasion to make any very detailed criticism of the Bill. I want to refer only to one or two points, so that the attention of those who are competent to give expert opinion may be drawn to them. This Bill is based on the recommendation of the Royal Commission on Labour. Very high authority attaches to the recommendations of this Commission. But it is not expected that we should take the recommendations of my Honourable friend Mr. K. Ahmed and his colleagues as sacrosanct, as above criticism. This Bill is satisfactory so far as it goes, but I should think it does not go far enough. In 1923 when the Workmen's Compensation Act was passed, it included workers in Indian railways and mines and factories and docks and building operations and other things. The criterion adopted in those days was the organised character of the industry and the hazardousness of the occupation. The Commission has recommended that an advance should now be made in the direction of including all organised industry, whether hazardous or not, and then towards the less organised industry where the hazardousness is the greatest. If we accept that principle, there is no justification for excluding a certain class of workers who are employed in railways or in factories because they are engaged in a clerical capacity. As the Commission itself has pointed out, if a man is killed in a non-hazardous occupation, the suffering of his dependants is not the less on that account. It is a matter for consideration, as Mr. Joshi pointed out, whether the limit of ten or more persons in the case of factories using power and of 50 in the case of factories not using power, whether that limit should not be further reduced. I think it should also be considered whether the limit of 50 in the case of cinchona, tea, rubber and other plantations, should not also be reduced, because it is not very logical that a tea planter employing 50 workmen should pay compensation, while another employing 40 workmen should escape payment.

There is only one other matter to which I wish to draw the attention of the House, the matter to which Mr. K. Ahmed referred, but the House laughed at it. It is not a matter for laughter, but it is a very serious matter. It is the question of the Indian seamen. I am particularly interested in the seamen, because most of the Indian crew in the port of Calcutta come from my own district of Sylhet. This present Act covers Indian seamen who are engaged in vessels registered under the Indian Acts and employed in inland vessels. Most of the Indian seamen are engaged in the P. & O., B. I. S. N. Co., and in the Bibby and Anchor lines, and all these companies are registered outside India. These seamen can get legal relief only in court of Great Britain where the companies are registered. But it is very difficult for the dependants of these seamen to prosecute their claims in foreign courts. Therefore the present arrangement is that when the seaman enters into service, a clause is inserted in that article of employment by which he is entitled to claim compensation according to the Indian Act. But the Royal Commission has itself pointed out that this is a defective procedure. The seamen lose the right of appeal to the High Court. It does not give them a legal claim, and the companies may themselves refuse to enter into an agreement. Therefore it was suggested that the Government of India, in consultation with the Home Government, should explore the possibility—that is what my friend Mr. K. Ahmed read out—of giving them the right to compensation. They also recommended that the Government should consider whether those Indian seamen serving in Indian territorial waters and in all the British ships engaged in coastal traffic, whether they cannot be brought under the Indian Act, and I should like to know from the Honourable Member whether any steps have been taken in that connection.

Mr. A. G. Clow (Government of India: Nominated Official): I gather, Sir, that none of the Honourable Members who have spoken was opposed to the Bill, and I do not propose, therefore, to traverse the ground at any length. If I may deal with the last point first, the point with which my Honourable friend Mr. Abdul Matin Chaudhury and, so far as I was able to follow him, my Honourable colleague on the Commission, Mr. Kabir-ud-din Ahmed were dealing, the question of giving compensation to seamen who serve on foreign ships is an extremely difficult one. From what my Honourable friend Mr. Ahmed said, he seemed to be under the impression that seamen who go on these ships do not receive compensation at present. But as the Honourable Member who followed him pointed out, that is not the case. They do receive compensation, but they do so under a rather peculiar arrangement, that is, under a clause in the Articles of Agreement. I am glad to say that although this agreement is not obligatory at the present moment, my information is that all the shipping companies, which engage Indian seamen, enter into this agreement and fulfil it. The difficulty in the case is that of bringing the workmen not under that agreement, which is an agreement made under the Merchant Shipping Act,

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but under the Workmen's Compensation Act itself. Any law relating to the sea is a matter of extreme intricacy, as lawyer Members in this House know, and the matter is being examined by the legal experts of the Government of India. By the time the Bill reaches a later stage, it will be possible for the House to consider whether anything can or should be done in the matter.

Before I deal with the main point made by my Honourable friend Mr. Joshi, I might say a word as regards the extension of the Act to agriculture and forests. We are consulting Local Governments and public opinion in the matter. It is obviously rather a big question, whether you should extend an Act of this kind to agricultural labour and its consideration may take a little time.

I confess I listened to the main part of Mr. Joshi's speech with a considerable amount of surprise. I wondered whether in fact I was listening to a severe critic of the Commission or to a gentleman who had been a member of it. He attacked the Government of India on a large number of grounds. He attacked them for not including certain types of transport work, or factories employing fewer persons than ten; he attacked them for not including workshops where less than 50 workers were employed; he attacked them for not applying the Act to certain buildings. He has attacked Government for fixing a 50 ton limit for ships; he has attacked Government for fixing arbitrary heights to dams and embankments; he has attacked Government for not accepting a lower waiting period; he has attacked them for not making a large extension of the Act and for not adopting compulsory insurance. In every case these clauses of the Bill follow the unanimous recommendations of the Commission; and my surprise was heightened when, at a later stage, Mr. Joshi made it a subject of attack that on one small item of detail Government had failed to follow the majority of the Commission and had preferred the recommendation of the minority. Surely then it is a little hard that Government should be attacked strongly for following not merely the majority, but the unanimous opinion including that of Mr. Joshi, of the Commission. In fact at a later stage Mr. Joshi really answered his own argument. It is perfectly true that it is difficult to draw a line between one set of workmen and another, to say that this man shall get compensation and that man shall not. It is probably also true that without a system of compulsory insurance,—and I leave it to the House to judge whether that is practicable at this stage in India,—you cannot extend an Act like this to all and sundry who are employed. And so Mr. Joshi, coming towards the end of his speech, said, "Do not extend the Act to the rural areas but extend it to every one within the municipalities". But surely he was guilty of the same lack of logic which in his opinion underlies the Bill. I admit that it is a question of degree how far you should go. The Commission did not intend that this should be the last extension that the Act would ever have, but I believe that both the country and this House will endorse the view which underlay this, as it underlay a good many of the Commission's recommendations, that it is better to proceed gradually and surely.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, any measure that comes from the Government side for ameliorating the conditions of labour and humanising the conditions of working classes has the approval of this side of the House. But, I entirely agree with and endorse the

remark of my Honourable friend Sir Joseph Bhore when he says that labour legislation should be such that it will fit in into the social life in India and economic conditions of industries in India. That is a point which my labour friends should bear in mind when they offer opinions on the Bill which is going to be circulated. I know the gentlemen who have spoken do not represent the extreme wing of labour . . . .

Mr. N. M. Joshi: Are you a capitalist?

Mr. B. Das: No! If my friend Mr. Joshi does not want my sympathy or the sympathy of this side of the House, I am sorry for the working classes. Sir, my friend Mr. Joshi represents the vested interests of the labouring classes, while the capitalists represent the vested interests of the capitalist classes. Each is looking after his own interests but what I understand, is the Indian capitalist is as much interested in the welfare of the Indian worker as my friend Mr. Joshi is. But what the capitalist condemns, and what I was going to lead to, is that it is the foreign transplanted ideas that are working havoc in the conditions of the Indian working classes and in the development of the Indian industries. My friend Mr. Joshi may be happy now, but he was not happy two years ago when at the Trade Union Congress at Nagpur they parted company and a certain section wanted to drive the Indian Labour Federation into the Third International of Russia. I want indigenous labour organisations, and if I could influence the capitalist section of India, I would like them to give proper conditions of living to workers. But what has happened? Look at the works at Jamshedpur and the labour organisation there. Look at the Railways. They are getting less and less income. With the foreign idea transplanted, every worker demands more money, but can a particular industry stand those wages? And then the idea of labour to have sympathetic strikes to paralyse not only particular industries but even the Government is a state of things which is quite foreign to the Indian conditions of working and Indian culture and Indian sentiment. So while I offer the sympathy of this side of the House, I hope my Honourable friend Mr. Joshi will bring in the sober views for which he is held in such high respect and not connive with his friends who want to transplant foreign ideas here.

Mr. N. R. Gunjal (Bombay Central Division: Non-Muhammadan Rural): (Made a speech in Marathi, a translation of which will appear as an appendix to these debates later.)

Mr. Deputy President: The question is:

"That the Bill further to amend the Workmen's Compensation Act, 1923, be circulated for the purpose of eliciting opinion thereon."

The motion was adopted.

RESOLUTION *RE* DUTIES ON GALVANISED IRON AND STEEL PIPES AND SHEETS.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir I beg to move:

"This Assembly recommends to the Governor General in Council that the increased import duties imposed by Notification No. 260-T. (127) Tariffs, dated the 30th December 1930, as amended by Notification No. 260-T. (127) Tariffs, dated the 21st March,

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1931, in exercise of the powers conferred by section 3 (4) of the Indian Tariff Act, 1894, on galvanized iron and steel pipes and sheets for the period from the 30th December, 1930, to the 31st March, 1932, be continued for the remainder of the period of protection covered by the Steel Industry (Protection) Act, 1927, that is, up to the 31st March, 1934, and that the duties should not be reduced unless, at any time before that date, the Governor General in Council is satisfied that circumstances have changed so radically as to render the maintenance of the duties at the increased rates clearly unnecessary and undesirable."

Honourable Members will no doubt remember that this subject came up for discussion during the cold weather session of 1931. At some date in 1930—in July I think,—the Tata Iron and Steel Company drew the attention of Government to the position in which they were placed by the level to which the prices of galvanised sheet had fallen, and the Government of India referred this application to the Tariff Board for inquiry. The Tariff Board submitted their Report in October 1930, and after considering the recommendations in that Report, the Government of India, by notification under the Steel Industry Protection Act, increased the duty on galvanised sheet from Rs. 30 to Rs. 67 a ton in accordance with the recommendation of the Tariff Board. That action was taken in exercise of the special powers which had been vested by the Act I have named in the executive Government.

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

But Government recognised the desirability and the necessity that, when action of that kind is taken, it should be submitted for the confirmation of the Legislature as soon as possible. The increase therefore was originally sanctioned only up till the 31st March 1931. A Resolution was moved in this House about this time last year recommending the continuance of the duty for a further period. I think the terms of the Resolution as I originally moved it were that the increased duty should remain in force up to the 31st March, 1934. During the course of the discussion on that Resolution, however, two things became evident. On the one hand the House generally seemed to accept the recommendation of the Tariff Board, that circumstances had so changed, owing to the fall in prices, that additional protection was necessary to the extent recommended. On the other hand it appeared to Government that there was considerable doubt in the minds of a good many Members on the question whether it was better that the protection proposed to be given should be given in the form of an increase in the duty or, as an alternative, in the form of a bounty. Finally, at the close of the debate, endeavouring to interpret the opinions which had been expressed, with your permission, Mr. President, and with the permission of the House, I modified the terms of my Resolution to this effect, that the increased duty should remain in force only up till the 31st day of March, 1932, and I undertook that meanwhile the Government would have the question of a bounty examined, in order to see whether a practicable and suitable scheme could be devised which might be adopted if the financial circumstances were favourable in the current year. As the general principle of additional protection in this case was unquestionably accepted by the House last year, I do not think it is necessary for me to develop that point again at length. It was very fully examined by the Tariff Board and very fully discussed in the House, and I do not think there is much question about it. Therefore I pass on at once to the action which we took to carry out the undertaking which had been given to this House.

The question whether a bounty scheme could be devised which was practicable has been investigated by an officer of the Audit Department working in consultation with the Metallurgical Inspector at Jamshedpur. They examined the difficulties fully, and they came to the conclusion that a satisfactory scheme could be devised, the cost of which would not be excessive, and they thought that any danger there might be—a danger always existing in such cases—of overpayment of the bounty could be averted by suitable precautions. On that ground therefore there was no insuperable difficulty in adopting the alternative plan. But unfortunately, instead of finding financial conditions more favourable than they were in 1931, they have become as Honourable Members of this House know, what they are today—that is to say, they have become very much less favourable, and to proceed by way of bounty in the present financial conditions the Government of India felt to be entirely impossible. The sum involved is a fairly substantial one, and at a time when every item of expenditure which cannot establish a claim to be absolutely necessary is being ruthlessly pruned away, it is extraordinarily difficult to justify a payment by way of bounty to a particular firm. Government felt that these arguments arising from the financial situation were very formidable indeed and they could not feel themselves justified in recommending to the Legislature a scheme of that kind. For that reason they had to fall back upon the original plan of the continuance of the duty for a further period of two years, up to the 31st day of March, 1934; that is, up to the date when the Steel Industry Protection Act expires. Before it does expire, there will be an inquiry by the Tariff Board, and no doubt the Legislature will have made provision for such duties as are considered necessary for the period after the 31st day of March, 1934.

That will explain to the House the reasons which have influenced Government, notwithstanding what was said last year, in persevering with the original plan of giving supplementary protection in the form of a duty, and not in the form of a bounty. The reason as I have said is that the financial circumstances are such as absolutely to preclude it.

I understand that last year during the course of an inquiry before the Tariff Board when the point was raised that the Jamshedpur Company were producing only a small proportion of India's requirements, they undertook that they would take steps to increase their output, so that the share of the market falling to them would be substantially increased. The information that I have on that point is this. The company anticipate that from the end of April 1932 they will be producing galvanised sheets at the rate of 4,000 tons per month, which is a very substantial increase over the amount which they were producing last year.

Mr. R. K. Shanmukham Chetty: From what date?

The Honourable Sir George Rainy: From the end of April 1932, that is, this year. At present if you add the Jamshedpur consumption to the imports from abroad, the total consumption averages about 10,000 tons a month. If, therefore, the Jamshedpur output is raised to 4,000 tons a month, then the company will be producing something like 40 per cent. of India's requirements.

Mr. B. Das: I think you are comparing the 1931 figure of import?

The Honourable Sir George Rainy: I am not giving a comparison for 1931. The point I am trying to make is that the figure of 4,000 tons a month is in fact a substantial proportion of the actual consumption of galvanised sheet in India at present. The proportion must be substantially higher than it was last year not only because the production has gone up but also because the total consumption was seriously reduced. That is the explanation why the percentage works out a good deal higher than it did last year. I have thought it worth while to mention that point because an undertaking was given by the company last year that they would take steps to increase their production and it has some bearing on the general question of whether assistance should be continued or not.

Now, Sir, before I sit down, it might be convenient perhaps if I should say something on the subject of the amendment which I understand it is the intention of my friend, the Honourable Mr. Morgan, to move. The effect of his amendment would be to remove the surcharge which would otherwise be leviable under the provisions of the Supplementary Finance Act passed last November. The method by which this result is proposed to be attained is this, to recommend in the Resolution that the rate of duty imposed by the notification should be reduced from Rs. 67 to Rs. 54 a ton and then on that lower figure the surcharge would continue to operate amounting to Rs. 13-8-0 a ton, which would bring the duty actually collected back to Rs. 67-8-0 a ton. I do not wish at this stage to argue the case at length on that point, but there is one aspect of the case to which I would draw attention. Since the Tariff Board made its inquiry and reported, there has been quite a substantial further fall in the price of galvanised sheet. The price they took as the basic price for the purpose of determining the additional protection required was Rs. 169 a ton, which is equivalent to something like £12-15-0 in sterling. Since then the c. i. f. price free of duty in Bombay has fallen as low as £10 a ton which in rupees would be Rs. 133 a ton, and today is a little higher at £10-10-0, the rupee equivalent of which would be about Rs. 140 a ton; that is Rs. 140 instead of Rs. 169. Therefore, the point I want to make is this, that, if the amendment is carried, the practical effect will be to deprive the industry of part of the additional protection which the Tariff Board considered it ought to receive. In ordinary circumstances, the necessity might have arisen of taking up the matter specifically and imposing an increased duty by notification, but as the surcharge was to be imposed by the Supplementary Finance Bill upon all the duties in force, it was not considered necessary to take up this case afresh. But quite apart from any considerations of revenue, the fact remains that the price of galvanised sheet has fallen to such an extent since the Tariff Board inquiry was made that the surcharge does no more than bring back the protection given by the duty to about the figure at which it stood at the time the notification was originally issued. That is pretty clear from the fact that whereas in January 1931 the wholesale price of galvanised sheet in Calcutta with a duty of Rs. 67 a ton was quoted at Rs. 11-12-0 a cwt., in January 1932, although the duty has gone up to Rs. 83-12-0 a ton, the price of galvanised sheet is actally Rs. 11-12-0 a cwt., which is exactly what it was in January last year. Therefore, it is not the case that the imposition of a surcharge has resulted in giving the Tata Iron and Steel Company or the steel industry generally in respect of this article a greater amount of protection than the Tariff Board considered necessary. I thought it was fair to the House that I should make that point before the amendment is moved, as in the ordinary course I shall not have an

opportunity of speaking again upon the subject till near the end of the discussion. That, I think, Sir, exhausts what I need say to-day, and I move my Resolution.

Mr. G. Morgan (Bengal: European): I beg to move:

"That at the end of the Resolution the following be added:

'Provided that the figure of Rs. 67 in the fourth column of the table appended to notification 260-T. (127), dated 30th December, 1930, against the item 148 (*b*) Iron or Steel Sheets, no fabricated, galvanized, shall be reduced to Rs. 54'."

Sir, after what has fallen from the Honourable the Leader of the House, it is rather difficult for me to do more than to call attention to what happened last year. The Honourable the Leader of the House in his opening speech last year said:

"We have found, however, in these post-war years, the only thing which is certain to happen is the unexpected."

That I think we have found, because at the end of the Honourable Member's speech in January 1931 with regard to bounties, he said, having given his reasons for not going into the question of bounties last year, that "Both from the administrative point of view and from the financial point of view, the position, we may hope, will be a good deal easier next year than it is now". The unexpected has happened because it is evident, from what the Leader of the House has just said, that it is now a good deal worse. I do not quite agree with my Honourable friend in saying that the position is practically the same, so far as the protective duty is concerned, as it was last year, and that the amount of surcharge which has been put on by the Emergency Finance Bill does not alter the situation. The fact remains—I need not go into the details of prices—the fact remains, that the galvanised sheets made in this country are selling below the imported price of sheets at the present rate of duty, which is Rs. 83-12-0 including surcharge and taking the Tariff Board figure of Rs. 169 *plus* Rs. 83-12-0—the price is Rs. 252-12-0 per ton—the selling price to-day of Indian sheets is Rs. 216 per ton, so that the difference is very conside able. The difference I am making in my amendment is only Rs. 16. If you take Rs. 169 *plus* Rs. 67, the present duty, excluding surcharge it will give Rs. 236. If you take Rs. 169 and a difference of Rs. 46, it will come to Rs. 215, so that to-day the full duty of Rs. 83-12-0 is out of all proportion to the difference which was estimated by the Tariff Board to be the proper amount of protective duty. The question of bounties has been gone into quite clearly by my Honourable friend, but in taking the date 31st March, 1934, I think, although I see no amendment has been moved and I did not move one myself, the Honourable the Leader of the House is asking too much. The Honourable the Leader of the House said last year:

"The Government, however, did not feel that they and the Legislature should be committed quite so deeply as that. Circumstances may change so radically that the retention of the duty would be clearly unreasonable."

We are living in continually changing times, and every few months something happens of the "unexpected" which the Honourable the Leader of the House mentioned last year. The "unexpected" is always happening. Therefore as the surcharge is certain up to 1933—and I am sure that the

[Mr. G. Morgan.]

Honourable the Finance Member will say it is almost certain up to 1934—I see no reason at all why my amendment should not be accepted even on the figures that have been put forward by the Honourable Member with which I do not agree. Sir, I move my amendment.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 23rd February, 1932.

LEGISLATIVE ASSEMBLY.

Tuesday, 23rd February, 1932.

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

QUESTIONS AND ANSWERS.

RETRENCHMENTS EFFECTED BY THE CHIEF ACCOUNTS OFFICER, NORTH WESTERN RAILWAY.

478. ***Mr. S. G. Jog:** (*a*) Is it a fact that the Chief Accounts Officer, North Western Railway, Lahore, under telegraphic instructions from higher authorities, had suspended retrenchment in staff proposed to be effected on 1st February, 1931, and again all of a sudden brought under retrenchment 18 men from the P. I. Section of his office?

(*b*) If so, will Government please state what this sudden necessity was, and how it could not be foreseen?

(*c*) Will Government please say how the work of these 18 men has been arranged?

Sir Alan Parsons: (*a*), (*b*) and (*c*). The 18 posts alluded to were added to the P. I. Section temporarily for the specific purpose of bringing up arrears. On the completion of this specific work the posts were reduced.

ARREARS OF PAY OF CERTAIN CLERKS PROMOTED BY THE CHIEF ACCOUNTS OFFICER, NORTH WESTERN RAILWAY.

479. ***Mr. S. G. Jog:** (*a*) Is it a fact that it took a period of about three years for the Chief Accounts Officer, North Western Railway, Lahore, to decide the officiating promotions of clerks to upper classes of the clerical cadre, *i.e.*, classes I and II?

(*b*) Is it a fact that the arrears of pay so withheld have been recently drawn by a part of the staff, and that some of the staff who could not receive payment have now been prohibited by the Chief Accounts Officer, Lahore, from drawing these arrears of pay on the basis of paucity of funds? If so, will Government please state, if withholding of salaries, or any other incurred liabilities, is a part of the economy campaign? If so, how?

Sir Alan Parsons: (*a*) The delay to which the Honourable Member refers was not so much in deciding officiating promotions as in deciding the position of each individual in the seniority list when the office of the Chief Accounts Officer was formed. A committee had to be formed for this purpose and representations from all clerks affected had to be heard.

(*b*) The matter was settled last June and the arrears of pay should have been disbursed as quickly as possible thereafter. I am grateful to the Honourable Member for bringing to my notice in this question that this has not been done. Orders have been issued to the Chief Accounts Officer to make the payments at once.

PURCHASE OF GOLD BY OPERATORS IN BOMBAY.

480. ***Mr. B. V. Jadhav:** (*a*) Will Government be pleased to state whether their attention has been drawn to the fact that certain operators in Bombay have been buying heavy quantities of gold even at unremunerative prices?

(*b*) Will Government be pleased to state whether they have heard of the rumours current in the Bombay bullion market that the operators referred to in part (*a*) are subsidised by Government? If the reply be in the negative, are Government prepared to make enquiries and condradict it?

The Honourable Sir George Schuster: (*a*) Government have read statements in certain newspapers to this effect. As far as they know, these statements are entirely inaccurate.

(*b*) Government have seen reference in certain newspapers to these rumours. They are so ridiculous that official contradiction is unnecessary.

Mr. B. Das: With reference to part (*a*) of the question, is it a fact that the Bombay bullion brokers are buying gold at unremunerative prices.

The Honourable Sir George Schuster: My Honourable friend inquires whether it is a fact that the Bombay bullion brokers are buying gold at unremunerative prices. Does my Honourable friend mean unremunerative to the buyer or unremunerative to the seller?

Mr. B. Das: To the buyer, for speculation purposes.

The Honourable Sir George Schuster: Having a fair acquaintance with the Bombay bullion brokers I would say that it is extremely unlikely that they should undertake clearly unremunerative transactions.

Mr. S. C. Mitra: The Honourable Member in his reply said that the statements were inaccurate. Inaccurate may mean a slight difference and the facts may be substantially correct. Is it false?

The Honourable Sir George Schuster: My exact words were 'as far as the Government know, these statements are entirely inaccurate'.

DEPOSITS, LOANS AND CASH CREDITS OF OTHER BANKS WITH THE IMPERIAL BANK OF INDIA.

481. ***Mr. B. V. Jadhav:** Are Government prepared to ask the Imperial Bank of India to publish in their weekly statements the amounts of deposits, loans and cash credits of member Banks separately from those of their ordinary clients?

The Honourable Sir George Schuster: I do not understand the meaning of the expression "member Banks". If the intention of the Honourable Member is that the Imperial Bank should be asked to show separately transactions with banks and transactions with clients other than banks, the answer is in the negative.

Mr. B. V. Jadhav: May I know why the answer is in the negative, why the accounts could not be separately shown?

The Honourable Sir George Schuster: The Government do not consider that they have any right to ask the Imperial Bank to show them separately.

Dr. Ziauddin Ahmad: I thought that the Government control the policy of the Imperial Bank. If the Government desire that these accounts should be shown separately, the Bank cannot refuse.

The Honourable Sir George Schuster: The Honourable Member is quite incorrect when he says that Government control the policy of the Imperial Bank.

Dr. Ziauddin Ahmad: Do not Government control the bank rate of interests?

The Honourable Sir George Schuster: I must repeat that my Honourable friend is quite incorrect.

Dr. Ziauddin Ahmad: Am I to understand that the Government does not control the rate of interest of the Imperial Bank.

The Honourable Sir George Schuster: If my Honourable friend refers to the bank rate fixed by the Imperial Bank, that is fixed by the Directors of the Imperial Bank.

Dr. Ziauddin Ahmad: And the Government had nothing to do with this matter?

The Honourable Sir George Schuster: I did not go so far as to say that Government had nothing to do with that matter. As my Honourable friend is aware, we are in a peculiar position in India in regard to the control of currency and control of credit, in that they are under two separate authorities, the one concerning Government as currency authority and the other the Bank. It is obviously very important that these two authorities should co-operate as closely as possible together and have a common policy for regulating currency and credit. I have nothing to complain about in the action taken by the Directors of the Imperial Bank in co-operating with Government in these matters.

Dr. Ziauddin Ahmad: Is not this a dual control, causing irritation both to the Government and the Bank?

The Honourable Sir George Schuster: I suggest that my Honourable friend is getting very far from the original question.

Mr. B. V. Jadhav: Who first prescribed the form of the weekly statement of the transactions of the Imperial Bank that is published in the Government Gazette?

The Honourable Sir George Schuster: I should like to have notice of that question. I do not want to give my Honourable friend inaccurate information.

FLOATING DEBT OF THE GOVERNMENT OF INDIA.

482. ***Mr. B. V. Jadhav:** Will Government be pleased to state what the amount of their floating debt, consisting of Treasury Bills, in the hands of the public and in the Paper Currency Reserve and Ways and Means Advances from the Imperial Bank was on the last day of June, 1931 and what the amount on the last day of December, 1931 was?

The Honourable Sir George Schuster: The amount of the floating debt consisting of Treasury Bills in the hands of the Public and in the Paper Currency Reserve combined was Rs. 76,33 lakhs on the last day of June and Rs. 1,07,22 lakhs on the last day of December, 1931. The Treasury Bills in the hands of the public decreased by 15 crores during the period between these two dates. No Ways and Means Advances were outstanding on either date.

Mr. B. V. Jadhav: Does this not lead to inflation of currency? I mean this increase in the floating debt.

The Honourable Sir George Schuster: I cannot accept my Honourable friend's expression 'inflation' if that term is used to imply an improper expansion of the currency. It is obvious that the currency has been expanded since September, 1931.

Dr. Ziauddin Ahmad: How far do the Government propose to inflate the currency?

The Honourable Sir George Schuster: The Government propose to carry out their proper duty as currency authorities, and that implies regulating the supply of currency according to the needs of the public and according to the intrinsic monetary situation.

SUPERSESSION OF CERTAIN SUBORDINATES IN THE GREAT INDIAN PENINSULA RAILWAY.

483. ***Mr. N. M. Joshi:** (*a*) Are Government aware that railway subordinates in the Great Indian Peninsula Railway with less officiating service in the officers' grades have been confirmed in permanent vacancies over the heads of those officiating in officers' grade for a greater length of time and whose names have been recommended for confirmation simultaneously with their juniors?

(*b*) If the answer to part (*a*) is in the affirmative, will Government be pleased to state how many seniors have been passed over and what steps they will take to see that the seniors do not suffer any loss in regard to their seniority and position in the cadre on account of the delay in their confirmation?

(*c*) Is it a fact that the Railway Board have ruled that promotion to the senior from the junior scale should go strictly according to seniority based on service?

Sir Alan Parsons: (*a*) and (*b*). Promotions of subordinates to officers' grades are made by selection from those recommended and the recommendations made are not necessarily in order of length of officiating service.

(*c*) No; but between officers who are considered qualified to hold senior scale charges, promotions from the junior to the senior scale are made according to seniority.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member state whether it is a fact that seniority is in many cases overlooked in favour of selection?

Sir Alan Parsons: I imagine that where two persons are absolutely equal, if that ever occurred, seniority would come in.

Lieut.-Colonel Sir Henry Gidney: Is it a fact that in the G. I. P. seniority plays a secondary part to selection which very often savours of favouritism?

Sir Alan Parsons: If the Honourable Member wishes definite answer to that question, I must ask for notice.

Dr. Ziauddin Ahmad: Is it not a fact that Government always play about with seniority and efficiency and they adopt the formula which suits them best. I want an answer to this question.

Sir Alan Parsons: Certainly not.

Lieut.-Colonel Sir Henry Gidney: In view of the fact that there is a tremendous amount of unrest in regard to this system of selection, will Government be good enough to formulate rules finally to decide this matter, which is a very important matter, and will Government state to this House whether they are prepared to inquire into this matter and issue stringent orders on it?

Sir Alan Parsons: I cannot imagine the possibility of creating any rules for dealing with selection.

Lieut.-Colonel Sir Henry Gidney: How extraordinary.

Dr. Ziauddin Ahmad: Did I understand the Honourable Member to say that they always adopted the formula of seniority and not the formula of qualification or efficiency, and will I be justified in putting forward a series of names during the Budget debate in cases where they have digressed from this formula?

Sir Alan Parsons: I am quite unable to prevent the Honourable Member from quoting as many names as he wishes in the course of the Budget debate. I did not say that seniority was always the rule and selection was not always the rule.

NON-TRANSFER OF STAFF OF RATES AND CLAIMS BRANCHES IN THE GREAT INDIAN PENINSULA RAILWAY.

484. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): Is it a fact that officers and men trained in the Rates and Claims Branches of the Commercial Department of the Great Indian Peninsula Railway are not transferred out of their branches on account of the specialised nature of the work performed in these branches?

Sir Alan Parsons: There is no hard and fast rule to this effect.

RECRUITMENT OF CERTAIN EUROPEAN OFFICERS FOR RATES AND CLAIMS WORK IN THE GREAT INDIAN PENINSULA RAILWAY.

485. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): Is it a fact that in 1923 a European officer was imported from the Agency into the Commercial Department of the Great Indian Peninsula Railway to specialise in Rates work and similarly on 13th January, 1928, another European officer was recruited in England for learning Claims work?

Sir Alan Parsons: In 1923 appointments were made by the old Great Indian Peninsula Railway Company and Government are not aware whether any European officer was taken into the Commercial Department to specialise in rates work. In 1928 two traffic officers were recruited for the Transportation and Commercial Departments, one of whom, to whom the Honourable Member is probably referring, was appointed as an Assistant in the office of the Chief Commercial Manager. He had no special claims experience, though he had previously been employed in the office of the Chief Commercial Manager of one of the British railways.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member be pleased to state whether promotion to this appointment was made by selection or by seniority?

Sir Alan Parsons: This was not a case of promotion: it was one of the original recruitment of an officer from England.

REVISED CADRES AND PROMOTION OF SUBORDINATES IN CERTAIN DEPARTMENTS OF THE GREAT INDIAN PENINSULA RAILWAY.

486. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): Will Government be pleased to state:

(*a*) the revised cadres for officers in the Great Indian Peninsula Railway sanctioned with effect from 1st March, 1931, in each of the following three departments—(1) Transportation: Power and Traffic; (2) Commercial; and (3) Engineering: Civil and Mechanical;

(*b*) whether Sir A. Parsons gave an assurance in the Legislative Assembly that the confirmation of subordinates officiating in the officers' grades is dependent on permanent vacancies occurring;

(*c*) the number of subordinates officiating in the officers' grades permanently promoted to these grades in the year 1931 under the classification given in part (*a*) with the number of Indians and Anglo-Indians in each department;

(*d*) the number of permanent posts in the revised cadres for officers temporarily held in abeyance in each of the three departments referred to in part (*a*);

(*e*) the number of vacancies in the permanent officers' grades after allowing for this temporary reduction in each of the three departments referred to in part (*a*); and

(*f*) the number of subordinates still continuing to officiate in the officers' grades in each of the three departments referred to in part (*a*) and the date on which each of these subordinates was first promoted to the officers' grades?

Sir Alan Parsons: (*a*) The usual grouping is Transportation (Power) and Mechanical; Transportation (Traffic) and Commercial; and Civil Engineering. The number of officers' posts sanctioned in the cadre as revised from the 1st March 1931 was 4,768 and 77 respectively. These figures include provision for officers to be drawn from these Branches to fill general posts and posts in the Stores Department.

(*b*) Government have not been able to trace the assurance to which the Honourable Member alludes.

(*c*) Transportation (Power) and Mechanical, three Anglo-Indians; Transportation (Traffic) and Commercial, one Indian and eight Anglo-Indians; Civil Engineering, one Indian.

(*d*) The revised cadre introduced on 1st March 1931 has since been reduced and the number of posts is now Transportation (Power) and Mechanical, 40; Transportation (Traffic) and Commercial, 58; and Civil Engineering, 65. Of these the number of posts placed temporarily in abeyance is Transportation (Power) and Mechanical, 2; Transportation (Traffic) and Commercial, 2; and Civil Engineering, 3.

(*e*) and (*f*). I am calling for certain information from the Agent, Great Indian Peninsula Railway, and will communicate it to the House on its receipt.

Dr. Ziauddin Ahmad: With reference to part (*c*), may I just inquire whether these promotions were made on the strict principle of seniority and that there was no consideration of qualifications?

Sir Alan Parsons: I am not perfectly certain, but I think they were entirely made on qualifications and not on seniority.

Dr. Ziauddin Ahmad: May I just say that the Honourable Member has just said that the promotions were made on the principle of seniority and immediately afterwards in what he said he has just reversed that principle.

Sir Alan Parsons: I have never said that promotions were made on the ground of seniority. I think the Honourable Member has misunderstood a remark which I made with reference to an entirely different class of people, that is to say, junior and senior class officers already in the service.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House whether the Railway Board is prepared to accept the recommendation of the Labour Commission with regard to confirming as permanent those employees who have been officiating for some time in appointments?

Sir Alan Parsons: The Railway Board, as far as I am aware, has not yet considered that recommendation. I cannot therefore state whether they will be prepared to accept it.

Lieut.-Colonel Sir Henry Gidney: Will the Railway Board be good enough to consider it now? Some time has elapsed since the Labour Commission submitted its report.

Sir Alan Parsons: They will certainly consider it along with all other recommendations of the Royal Commission.

LEAVE RULES FOR CERTAIN SUBORDINATES ON THE GREAT INDIAN PENINSULA RAILWAY.

487. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): (*a*) Is it a fact that concessions of leave on average pay to subordinates officiating in the officers' grades have been withdrawn from 12th June, 1931, on the Great Indian Peninsula Railway?

(*b*) Is it a fact that subordinates who have once qualified themselves for the concession of leave on average pay by having to their credit the prescribed minimum period of three years' continuous service in the officers' grades are required to put in a further period of three years' continuous service from the termination of their first period of leave to the commencement of the second period of leave before they can be eligible for the concession a second time?

Sir Alan Parsons: (*a*) The concession was granted in 1929 subject to the condition that the staff concerned would have no claim to a continuance of this privilege after the new leave rules for State Railways, which they would have the option of accepting, had been brought into force. The new leave rules were introduced from the 1st April, 1930 and the special temporary concession was withdrawn from the 12th June, 1931.

(*b*) The concession is no longer in force.

PROMOTED SUBORDINATES GRANTED LEE CONCESSIONS ON THE GREAT INDIAN PENINSULA RAILWAY.

488. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): Will Government please state how many of the subordinates in the Transportation (Power and Traffic), Commercial and Engineering (Civil and Mechanical) Departments of the Great Indian Peninsula Railway confirmed as officers in the year 1921 were admitted to the Lee Concessions subsequent to their confirmation and what were the total allowances drawn by each with retrospective effect?

Sir Alan Parsons: I am obtaining the information, and will lay it on the table when received.

PROMOTION OF A EUROPEAN OFFICER ON THE GREAT INDIAN PENINSULA RAILWAY.

489. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): Is it a fact that a European whose substantive post is that of the Publicity Officer, which post has been retrenched, is being posted to the Great Indian Peninsula Railway in the senior grade *plus* Rs. 750 personal allowance per month?

Sir Alan Parsons: The officer referred to is on deputation temporarily in England and in receipt of deputation pay of £500 per annum. On the abolition of the post in the Publicity Department which he held, he has been given a lien on a senior scale post in the Transportation (Traffic) and Commercial Department of the Great Indian Peninsula Railway. If he resumes duty in India he will not be entitled to any personal pay.

Dr. Ziauddin Ahmad: Will this post be specially created for him?

Sir Alan Parsons: Does the Honourable Member mean the post in England or the post in India?

Dr. Ziauddin Ahmad: In India.

Sir Alan Parsons: No, Sir.

Lieut.-Colonel Sir Henry Gidney: Is this officer's post on the list of posts proposed to be abolished in the Publicity Department?

Sir Alan Parsons: The post which he is now holding in England is under a contract till the end of June, and the question whether it will be continued after that date is being considered.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform the House whether, till that consideration is completed, he will have a lien on his appointment?

Sir Alan Parsons: He will certainly do so.

Dr. Ziauddin Ahmad: What is the deputation for? What is he doing in England?

Sir Alan Parsons: He is actually there, I should describe it as an advertisement manager. (Laughter.)

Dr. Ziauddin Ahmad: Can we afford this expensive luxury in these days of retrenchment?

Sir Alan Parsons: That is exactly the question. We are seeing whether the advertisements which he gets for us will make it worth while paying him £500 a year.

Sir Cowasji Jehangir: May I ask, if the post of the Publicity Officer is to be abolished, what is the use of sending such an officer on deputation to England to learn the art of advertisement?

Sir Alan Parsons: He is not going to learn. He is there to collect advertisements for us.

Lieut.-Colonel Sir Henry Gidney: Can the Honourable Member inform this House whether he is in possession of facts and figures of income obtained from advertisements secured in England by this officer which supports the retention of his present appointment on deputation to England?

Sir Alan Parsons: Before the contract ends, he will remain in England. After that, when we have got these figures, we shall consider whether it is worth while to continue employing this officer in England.

Lieut.-Colonel Sir Henry Gidney: Then he is still on trial, a risky and expensive experiment?

PROMOTION OF AN ANGLO-INDIAN SUBORDINATE ON THE GREAT INDIAN PENINSULA RAILWAY.

490. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): Is it a fact that an Indian subordinate on the Great Indian Peninsula Railway with officiating service in the officers' grades for nearly six years was not recommended for confirmation on the ground that he was on the eve of retirement while an Anglo-Indian subordinate was so recommended and since confirmed although he was then serving one year's extension of service beyond his 55 years age limit?

Sir Alan Parsons: An Anglo-Indian on extension of service was confirmed in the Lower Gazetted Service in August, 1931. Government have no information in regard to a recommendation on behalf of an Indian subordinate having been withheld on the ground stated by the Honourable Member. A copy of the Honourable Member's question and of this reply will be sent to the Agent, Great Indian Peninsula Railway.

DENIAL OF HOLIDAYS TO THE STAFF OF THE CHIEF TRAFFIC MANAGER'S OFFICE, GREAT INDIAN PENINSULA RAILWAY.

491. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): Will Government be pleased to state whether it is a fact that the staff of the Chief Traffic Manager's office, Great Indian Peninsula Railway are not generally given the full benefit of Bank holidays such as Christmas and Diwali holidays, and, if so, why?

Sir Alan Parsons: Government have received no representation to this effect. The Honourable Member will no doubt realise that permission to take holidays must depend upon the state of work in the office.

AMALGAMATION OF THE COMMERCIAL AND TRANSPORTATION DEPARTMENTS OF THE GREAT INDIAN PENINSULA RAILWAY.

492. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): (*a*) Will Government be pleased to state whether the Commercial and Transportation Departments of the Great Indian Peninsula Railway are to be amalgamated shortly as a measure of economy?

(*b*) If the answer to part (*a*) is in the affirmative, how many officers and subordinate staff are likely to be found surplus and whether Government propose to absorb them; if not, why not?

Sir Alan Parsons: The possibility of amalgamating the commercial and transportation work on Divisions of the Great Indian Peninsula Railway is under investigation but the investigation is not yet complete.

AMALGAMATION OF THE ACCOUNTS AND AUDIT DEPARTMENTS OF THE GREAT INDIAN PENINSULA RAILWAY.

493. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): (*a*) Will Government be pleased to state whether the Accounts and Audit Departments of the Great Indian Peninsula Railway are likely to be amalgamated as a measure of economy and from when?

(*b*) If the answer to part (*a*) is in the affirmative, what will be the number of officers and subordinate staff likely to be surplus and do Government propose to absorb the surplus staff; if not, why not?

Sir Alan Parsons: (*a*) No decision has yet been reached.

(*b*) Does not arise.

REDUCTION OF POSTS OF JUNIOR INSPECTORS OF STATION ACCOUNTS ON THE GREAT INDIAN PENINSULA RAILWAY.

494. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): (*a*) Will Government be pleased to state whether it is a fact that five permanent posts of Junior Inspectors of Station Accounts and four temporary posts of Junior Inspectors of Station Accounts in the office of the Chief Accounts Officer, Great Indian Peninsula Railway, are to be brought under reduction from February, 1932 and, if so, why?

(*b*) Is it a fact that by abolishing these posts the number of Indian Inspectors will be reduced to three in a cadre of thirty-one Inspectors?

(*c*) Is it a fact that these five permanent Inspectors have put in over six years service and whether Government propose to provide them with suitable posts in the office; if not, why not?

Sir Alan Parsons: (*a*) It has been proposed to abolish three permanent and two temporary posts of Junior Inspectors of Station Accounts on the Great Indian Peninsula Railway owing to the reduction in the number of Station Inspections. The two other temporary posts were sanctioned for a definite period of 8 months to bring up arrears and it is not proposed to extend that sanction.

(*b*) and (*c*). As the date from which the permanent reductions will take effect is not yet settled, no decision has yet been taken as to the individuals to be discharged.

In carrying out these discharges, however, the orders of the Railway Board issued in their letter No. 683-E. G., dated 3rd March, 1931 (a copy of which has already been laid on the table of the House) will be followed, which require among other things that men whose posts are abolished should be considered for other appointments in the office.

COMPLAINT OF OFFICIAL INTERFERENCE IN THE MANAGEMENT OF THE GREAT INDIAN PENINSULA RAILWAY EMPLOYEES' CO-OPERATIVE SOCIETY.

495. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): (*a*) Will Government be pleased to state whether the Agent of the Great Indian Peninsula Railway is a Chairman of the Managing Committee of the Great Indian Peninsula Railway Employees' Co-operative Credit Society?

(*b*) Is it a fact that the said Society is unconnected with the Railway Administration?

(*c*) Is it a fact that the Agent of the Railway gives instructions at State expense to his Divisional and other subordinate officers on the line to secure votes in favour of certain employees of the Railway seeking election to the committee of management at the annual meeting of the Society?

(*d*) Is it a fact that the subordinate employees who are share-holders of the Society have been complaining for the last two years about official interference in the management of the Society?

(*e*) If the answers to the above are in the affirmative, do Government propose to instruct the Agent of the Great Indian Peninsula Railway to desist from such interference in the election of the Managing Committee of the Society?

Sir Alan Parsons: (*a*) Yes; *ex-officio*.

(*b*) No. The Society is closely connected, with the Railway Administration in various ways.

The Agent is *ex-officio* Chairman of the Managing Committee and the Chief Auditor, the Vice-Chairman.

The deposits of the Society and recoveries due from borrowers are remitted free of charge by reduction from pay sheets.

Cheques of the Society are also similarly cashed at stations.

A limited number of passes and Privilege Ticket Orders are also granted free of charge to the employees of the Society, while its correspondence is also carried free like regular railway correspondence.

(*c*) Yes, at negligible expense, when he considers it to be in the best interests of the Society as a whole. He has, however, enjoined that on no account should any pressure be put on people but they should be given an opportunity of recording their votes as they desire.

(*d*) There have been some complaints, the matter was discussed at the last Annual General Meeting of the Society held in Bombay on 31st August and 1st September, 1931, on a proposal to do away with the system of voting by proxies. The proposal was withdrawn after discussion.

(*e*) No. The Government of India would leave such matters to the decision of the General Body of the Shareholders of the Society and the Registrar of the Co-operative Societies who administers the provisions of the law in this regard.

Lieut.-Colonel Sir Henry Gidney: Is the Honourable Member aware of the fact that this very matter was brought up before the Labour Commission by me when I examined the Great Indian Peninsula Railway officials in Bombay? Will Government also please state whether the Railway Board has informed the Great Indian Peninsula Railway Agent that his official connection with this Society should cease?

Sir Alan Parsons: I am not aware of the first fact mentioned by the Honourable Member but I am quite prepared to take it from him. I am not aware of any orders issued by the Railway Board to the Agent saying that his official connection with the Society should cease.

Lieut.-Colonel Sir Henry Gidney: Is the Honourable Member aware of the fact that by official administration of this Co-operative Credit Society it is paralysing and interfering with the advancement of other Unions and Societies that control the interests of workmen on this Railway, and by giving official support it is certainly not encouraging the growth and utility of Railway Unions? Will the Government please state whether it is not a fact that an audit officer of this Railway examines the accounts of this Society?

Sir Alan Parsons: I do not think that I can in reply to a supplementary question enter into a discussion on the main point raised by the Honourable Member. I understand that the Society itself makes some payment to an accounts officer to audit or look after their accounts.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member be good enough to make inquiries in this matter? I am talking from my personal experience.

Sir Alan Parsons: If the Honourable Member will put down a question, I will certainly make inquiries.

SUPPLY OF WAGONS FREE TO DR. DRIVER BY THE STATION MASTER, LONAVLA.

496. ***Sardar G. N. Mujumdar** (on behalf of Mr. N. M. Joshi): (*a*) Will Government be pleased to state whether it is a fact that the Station Master, Lonavla (Great Indian Peninsula Railway) supplied certain wagons free to Dr. Driver without the necessary authority in May, 1930?

(*b*) If the answer to part (*a*) is in the affirmative, will Government be pleased to state what action they have taken to punish the Station Master for the transgression of rules and also whether any action was taken against Dr. Driver for complicity?

Sir Alan Parsons: (*a*) Government have no information.

(*b*) If there has been any transgression of rules, the question of the disciplinary action to be taken is one for the Administration to deal with. I am, therefore, bringing the Honourable Member's question and this answer to the notice of the Agent of the Great Indian Peninsula Railway for such action as he may consider necessary.

ORIYAS EMPLOYED ON THE BENGAL NAGPUR RAILWAY.

497. ***Mr. B. N. Misra:** Will Government be pleased to state the number of Oriyas and non-Oriyas in the (*a*) Traffic, (*b*) Goods, (*c*) Commerce, (*d*) Engineering, and (*e*) Locomotive Departments employed by the Bengal-Nagpur Railway throughout their lines?

Sir Alan Parsons: Government have no information and regret that they are not prepared to supplement the information in regard to communal representation in Railway Services given in the annual Report by the Railway Board on Indian Railways with figures for Oriyas and non-Oriyas.

COST OF STAFF OF VARIOUS COMMUNITIES ON INDIAN RAILWAYS.

498. ***Mr. M. Maswood Ahmad:** Will Government kindly refer to the total cost of staff given in the report by the Railway Board on Indian Railways for 1930-31, Vol. I, and stated to be (i) Rs. 39,69,53,154 for 1930, and (ii) Rs. 39,92,20,220 for 1931, and give separate figures, for these two years, spent on (i) Hindus, (ii) Muslims, (iii) depressed classes, (iv) Indian Christians, (v) Sikhs, and (vi) other remaining communities?

Sir Alan Parsons: I regret to say that the information is not procurable.

Mr. M. Maswood Ahmad: Do Government propose to print this statement in the Railway Report that will be prepared for 1931-32?

Sir Alan Parsons: It is quite impossible to get the information. We do not keep our accounts according to the communities to whom pay or salary is disbursed.

PERCENTAGE OF DIFFERENT COMMUNITIES ON THE SUBORDINATE STAFF OF STATE RAILWAYS.

499. ***Mr. M. Maswood Ahmad:** Will Government be pleased to lay on the table the percentage of the different communities in the quarter ending the 31st December, 1931, of the subordinate staff of all the State Railways, separately?

Sir Alan Parsons: The information is not available for the quarter ending the 31st December, 1931, but the figures in respect of gazetted officers and subordinates on scales of pay rising to Rs. 250 per mensem and over as they stood on 1st April, 1931, are given at pages 55 and 56 of Volume I of the Report by the Railway Board on Indian Railways for the year 1930-31.

REPORT ON THE REPRESENTATION OF MINORITY COMMUNITIES IN RAILWAY SERVICES.

500. ***Mr. M. Maswood Ahmad:** Will Government be pleased to lay on the table of the House a copy of the report submitted by the Special Officer deputed to enquire into the representation of the Muslims and other minority communities in the Railway services?

Sir Alan Parsons: I would invite the Honourable Member's attention to my reply to Mr. Muhammad Muazzam Sahib Bahadur's question No. 428 of the 22nd instant.

Mr. M. Maswood Ahmad: Is it a fact that, except Volume I no other volumes of the Report have been laid on the table?

Sir Alan Parsons: I was only able to lay on the table Volume I. I understand that the other two volumes are about to be received from the press and they will also be laid on the table.

Dr. Ziauddin Ahmad: Will the Honourable Member circulate the second volume also among the Members?

Sir Alan Parsons: Certainly, Sir.

UNSTARRED QUESTIONS AND ANSWERS.

APPOINTMENT OF TELEPHONE OPERATORS ON A NON-PENSIONABLE BASIS.

90. **Mr. S. C. Mitra:** (*a*) Will the Honourable Member in charge of Industries and Labour be pleased to state whether the cases of the telephone operators appointed after 1st March, 1919, are treated as non-pensionable ones and these officials are subject to discharge on a month's notice? If so, why?

(*b*) Is it a fact that in some cases some of the operators, though they entered the Department before 1st March, 1919, in an officiating or temporary capacity, have been retained on a non-pensionable basis because they did not hold any substantive and permanent post before that date?

(*c*) Is it a fact that even the posts of the inferior servants of the Department such as cable-guard, batterymen, line-coolies, engine-coolies, chowkidars, tindals and other such officials have recently been brought on to pensionable cadre, whereas the operators have been ignored?

(*d*) Do Government contemplate to put the services of telephone operators on a pensionable basis now?

Mr. T. Ryan: (*a*) Yes. The service of telephone operators was reconstructed on a permanent non-pensionable basis with effect from the 1st March, 1919, on administrative grounds.

(*b*) Yes.

(*c*) No. Some of the posts referred to are pensionable, and some non-pensionable.

(*d*) The question is under consideration.

MILITARY PENSION CLAIMS TIME-BARRED.

91. **Mr. S. C. Mitra:** Will Government be pleased to state:

(*a*) whether the orders issued by them in Army Instruction (India) No. 22 of 1931, which do not allow the entertainment of claims arising out of the Great War and Waziristan Operations, 1919—1924, in respect of pay, allowances, pensions and gratuities, after 31st March, 1932, are not in contravention of paragraph 44 of Financial Regulations for the Army in India, Part I, as also to the "preamble" to Pension Regulations for the Army in India (See page V);

(*b*) whether under paragraph 44 of Financial Regulations for the Army in India, Part I, all claims to pay and other pecuniary advantages are allowed to be entertained at all times; if so, why under Army Instructions (India) Nos. B-342 of 1926, A-16 of 1927 and 22 of 1931 such claims are being declared as time-barred after certain dates;

(*c*) why the aforesaid paragraph of Financial Regulations is not applied to war claims;

(*d*) whether under the Regulations for the Army in India, it was not for Government to settle the claims of discharged officers, soldiers, etc., at the time of their discharge; and whether the officers concerned are not personally responsible for avoidable delay;

(*e*) whether promises were made to military men, at the time of their discharge, that their full dues would be remitted to them, at their home addresses; if not, why their account was not settled and they paid off at that time; and

(*f*) whether they were told to apply for their dues within a certain period, if they did not receive them up to a certain time; and to whom they should apply in case their units were disbanded?

Mr. G. M. Young: (*a*) The orders contained in Army Instruction (India) No. 22 of 1931 do not contravene paragraph 44 of Financial Regulations, Part I, or the Preamble to Pension Regulations; the latter does not refer to belated claims but to stoppages from emoluments under issue.

(*b*) and (*c*). Paragraph 44 of Financial Regulations, Part I, prescribes that all claims to pay and other pecuniary advantages must be preferred as soon as they arise. Claims not preferred within three years are ordinarily treated as time-barred. But the regulation in question allows discretion to the sanctioning authority to admit such claims in certain circumstances, for instance, in the event of a satisfactory explanation of the delay being forthcoming, though it does not remove the time-bar. Records pertaining to accounts cannot be kept open indefinitely, and must necessarily be destroyed after some prescribed period.

(*d*) All accounts that could be settled at the time when individuals were discharged were settled. In cases in which circumstances prevented this being done, ample opportunity was given to the individuals concerned to substantiate their claims within a period that would allow of verification.

(*e*) Yes, such promises were made when a settlement could not be effected at the time of discharge, and dues were remitted later whenever it was possible to trace the persons concerned.

(*f*) This was done in a large number of cases and Army Instruction (India) No. A.-16 of 1927, which was issued with the object of expediting claims, was published in vernacular newspapers and in the *Fauji Akhbar*. Since the date of the issue of that Instruction, the period for the submission of belated claims has been extended by another five years by Army Instruction (India), No. 22 of 1931. Thus, since the termination of the Great War, a total period of eleven years has been allowed for the submission of arrear claims.

As regards disbanded units, the names of officers who hold the records of these units have been published in the *Fauji Akhbar* and the vernacular Press from time to time.

CREDIT BALANCES DUE TO MILITARY OFFICERS SERVING BETWEEN 1919 AND 1924.

92. Mr. S. C. Mitra: (*a*) Is it a fact that the lists of credit balances due to individuals concerned, in respect of their services during the Great War and Waziristan Operations, 1919—1924, are correctly prepared and that all emoluments due to them are included therein?

(*b*) Are the amounts, outstanding in the books of officers concerned with the settlement of Field Accounts, not trust money kept with Government?

(*c*) Why should not such amounts be transferred to the Official Trustees to Government, if some of the units are not in existence, or are there no special arrangements in some of the offices for keeping such amounts?

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

(*b*) This raises a question of law which Government have not examined.

(*c*) Outstanding amounts may be claimed from the Controllers of Military Accounts. No other arrangements are considered necessary.

SHORT NOTICE QUESTION AND ANSWER.

CENSORSHIP OF PRESS MESSAGES REGARDING PROCEEDINGS OF THE ASSEMBLY.

Sirdar Harbans Singh Brar: (*a*) Since the commencement of the present Assembly session has there been any censorship of Press messages regarding the proceedings of the Assembly?

(*b*) If so, who is the Censor and what are his qualifications?

(*c*) In how many cases was censorship exercised?

The Honourable Sir James Crerar: (*a*) and (*b*). I would refer the Honourable Member to section 5 of the Indian Telegraph Act and to rule 13 of the Indian Telegraph Rules which regulate the procedure in regard to telegrams generally. Apart from arrangements under these provisions, there is no censorship of telegrams in Delhi Province, to which province the Honourable Member is presumably referring.

(*c*) My information is there has been no interference with the issue of any Press messages reporting the proceedings of the Assembly.

I may add that, in order to satisfy themselves in this matter, the Government of India have arranged that should any question arise, either at the place of origin or receipt, of interference with any Press telegram which purports to report proceedings of the Indian Legislature, the case will be referred by telegram to the Government of India for orders.

Mr. C. S. Ranga Iyer: Are the Government aware of the fact that a Press telegram sent from the telegraph office close by within the precincts connected with the throwing of pamphlets in this House was not sent to the telegraph office concerned?

The Honourable Sir James Crerar: I do not think the incident to which the Honourable Member refers can be regarded as the proceedings of the House, but if he will give me the details of the case he has in mind, I shall be glad to make inquiries.

Mr. S. C. Mitra: Has the attention of the Honourable the Home Member been drawn to a Resolution of the Indian Journalists Association of Calcutta which runs as follows:

"Proceedings of the Indian Legislative Assembly and the Bengal Legislative Council are not allowed to be published in full, but are censored."

Has the Honourable Member got a copy of this?

The Honourable Sir James Crerar: I think the Honourable Member has put down a question bearing on this point.

Mr. S. C. Mitra: It may be some other Member.

The Honourable Sir James Crerar: Then I regret to say that the resolution which the Honourable Member has quoted has not hitherto come to my notice. I shall be very glad if he will supply me with a copy.

Sirdar Harbans Singh Brar: Is it a fact that all Press telegrams in connection with the incident of the Congress woman throwing a leaflet were withheld or substantially modified?

The Honourable Sir James Crerar: I have no information to that effect, but if the Honourable Member will supply me with any facts bearing upon the matter, I shall inquire.

Sirdar Harbans Singh Brar: Is it not a fact that all the local papers have published full accounts of that incident but not the papers outside Delhi?

The Honourable Sir James Crerar: I have dealt with that incident already.

Maulvi Muhammad Shafee Daoodi: Will the Government take note of the fact that the officers authorised to censor are not strictly following the rules laid down in the book? I am saying this from my personal experience.

The Honourable Sir James Crerar: If the Honourable Member will furnish me in writing with the details of the matter to which he is referring, I shall be very glad to inquire into the matter.

OBSTRUCTION OF MEMBERS ENTERING THE ASSEMBLY CHAMBER.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair wishes to inform the Honourable House that the Leader of the Opposition, Sir Hari Singh Gour, complained to the Chair that on two occasions when the afternoon sittings of the Assembly had to be adjourned for want of a quorum, organised efforts were made by some Members in the Lobby, thereby preventing other Members from entering the House.

The Chair considered that this was a very serious complaint to make of interference with the normal business of the House and called upon Sir Hari Singh Gour to furnish proofs in support of his allegations. Sir Hari Singh Gour furnished the names of some Honourable Members who would support the allegations made. The Chair addressed letters to these Members, and has received their replies. Enquiries were also made in other directions, with the result that the Chair is satisfied that there was interference and obstruction in the Lobby on these two occasions with the object of preventing Honourable Members from entering the House.

The House is aware that the only entrance for Honourable Members to the Assembly Chamber is through the Lobby, and therefore if this form of obstruction is resorted to, it is bound to interfere seriously with the transaction of public business. The Chair feels confident that the House will strongly resent such interference with the liberty of Honourable Members in the discharge of their public duty.

The Chair is entitled to ask for unqualified co-operation from all Honourable Members in resisting any attempt to interfere with or obstruct those who are desirous of performing their duty and exercising their privilege as Members of the Assembly. As this is the first occasion on which the attention of the Chair has been drawn to these incidents, it does not propose to take any strong action but wishes to give a clear warning against any repetition of such tactics. The Chair intends to take serious notice if on any occasion this warning goes unheeded.

The Honourable Sir George Rainy (Leader of the House): I have no doubt that every section of the House will unite with the Chair in condemning the practice to which you have alluded. On behalf of the Official Benches, I should like to promise whole-hearted co-operation with the object of bringing any such practice to an end.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): I thank you, Sir, for the very plain and straightforward statement that you have made as to the rights and privileges of the Members of this House. Speaking for myself, I have not the slightest doubt that we, on this side of the House, will offer you the fullest co-operation which your ruling deserves.

Sir Cowasji Jehangir (Bombay City: Non Muhammadan Urban): The Independent Party have always co-operated with the Chair in the past and I am sure will continue to do so in the future to your entire satisfaction.

Sir Hugh Cocke (Bombay: European): I endorse fully the remarks put forward by the Leader of the House and by other Leaders. I personally have not been subjected at any time to any opposition in entering this House, neither have I seen any other Member so obstructed. If I had been subjected to this, I should have certainly brought the matter to your notice. I consider that every Member has a right to come to this House at any time and should not be obstructed by anybody.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I should like your ruling . . . . .

Mr. President: Are you rising to a point of order?

Mr. C. S. Ranga Iyer: Yes, Sir. Now that you have made your statement, I should like, for future guidance, to have your ruling on the matter, namely, whether it would not be advisable for Honourable Members to raise such matters as they have now apparently done through the Chair, instead of making a demonstration in the newspapers.

Mr. President: I do not quite follow the Honourable Member's point of order.

Mr. C. S. Ranga Iyer: My point of order is this: obviously the matter that you have mentioned has been brought to your notice. But before it was brought to your notice, I find that wild accusations were made by the gentleman concerned in the newspapers. I wish to have your ruling for future guidance whether it would not be proper on matters essentially concerning this House to bring the matter directly to your notice instead of bringing it first to the notice of the public.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair cannot deal with matter appearing in the Press except what directly affects the business of this House.

THE SUGAR INDUSTRY (PROTECTION) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir George Rainy (Member for Commerce and Railways): I move that the time appointed for the presentation of the Report of the Select Committee on the Bill to provide for the fostering and development of the sugar industry in British India be extended to the 23rd February, 1932.

The motion was adopted.

The Honourable Sir George Rainy: Sir, I lay on the table the Report of the Select Committee on the Bill to provide for the fostering and development of the sugar industry in British India.

THE BAMBOO PAPER INDUSTRY (PROTECTION) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move that the Bill further to amend the law relating to the fostering and development of the bamboo paper industry in British India, as reported by the Select Committee, be taken into consideration.

The Select Committee have reported the Bill to the House in the form in which it was introduced. On the other hand, the Report in certain ways must be a curiosity amongst the Reports of Select Committees, since, though the Bill is unchanged, there are only two members of the Select Committee who have not signed minutes of dissent. Five members, including myself, dissent from an expression of opinion in the Report of the Select Committee; four members have recorded their dissent on a point connected with the duty on wood pulp; seven members have dissented as regards the period of protection, and one member has dissented from the whole policy of protection in this matter. No doubt, some of these questions will come up on specific amendments of which notice has been given. But so far as the Bill itself is concerned, there is obviously very little for me to say, since the Bill is actually reported in the form in which it left the House. I may perhaps deal briefly with the question about the amount of duty on imported wood pulp. The view taken by Government on that question has been endorsed by the majority

of the Select Committee and it is this. We consider that the Tariff Board's recommendation is right, and that when they fixed the duty at an amount which would increase the cost of imported wood pulp to such an extent that bamboo pulp was likely to be the cheaper, they adopted the right principle. We also thought that, in view of the time which has elapsed since protection was first accorded to the paper industry, the mills had had sufficient time for making their preparations, and that there were no good grounds why the imposition of the duty at the rate recommended should be postponed. The other important point on which there has been dissent is the question of the period for which the protective duty is to remain in force, and that is closely connected with what is said in the Report itself, and in the minutes of dissent, on the subject of Indianisation, because the object of those who wish to shorten the period is to make sure that active steps are taken towards Indianisation at an early date, and the method by which this result might be secured is that the mills should know that, unless action is taken, there is a possibility, at any rate, that protection will not be continued. I cannot possibly deal with that question fully until the amendment about the period is reached, but there are certain general observations on that question which I should like to make. I do not propose to dwell on the question of whether it is right to take measures to enforce Indianisation because I have made the attitude of myself and of the Government of India quite clear in the minute of dissent which I have appended to the Report. The particular point to which I wish to draw attention is this. It is to be found in the minute of dissent signed by seven Members where they say:

> "In our view there should in reality be no distinction in this regard between industries receiving assistance in the shape of bounties and those which are protected by means of tariff duties."

I am not concerned, Mr. President, to show that there is a logical distinction between the two methods of giving assistance, but I am concerned to make it clear that practically there is all the difference in the world. In the case of the bounty, if you attach conditions to the grant of the bounty, it is a simple matter to pay the bounty only to those firms who satisfy the conditions. But when protection is given by means of tariff duties, the benefits which the duties confer accrue automatically and must accrue to all concerns engaged in the industry in the country whether they comply with specified conditions or not. If it were proposed to give practical effect to what I understand to be the view of the Honourable Members who signed the minute of dissent, the only possible way of proceeding would be to prohibit by law any firm unless it satisfied certain conditions from engaging in a particular industry. Now obviously that would be a very drastic step to take. It is one thing to give special assistance to firms who satisfy certain conditions, and it would be quite another thing to prohibit firms who do not comply with the conditions from taking any part in the industry at all. And when you are dealing not with firms that may come into existence in the future, but with firms who have been engaged in the industry for a very long time, it is obvious that any provision of that kind would amount to confiscation. When it came to the point, I do not believe that any section of the House would be prepared to go as far as that. What the Honourable Members who signed the minute of dissent had in view is I think something different. By shortening the period for which protection is given, they would give a warning to the firms concerned that, unless action is

[Sir George Rainy.]

taken in the direction suggested, quite possibly the Legislature may refuse to continue protection. I should like to draw attention to certain consequences which would follow from the adoption of any policy of that kind, for in effect what it would mean is, that as long as the principal firms at the moment engaged in an industry were insufficiently Indianised, the country would have to abandon the development and fostering of that industry altogether. I think there is a tendency sometimes in discussions which take place, whether in this House, or in the columns of the newspapers or elsewhere, to treat questions of protection as if they were questions which primarily concerned particular firms and not the general development of the industry. If the policy of protection is to succeed at all in the case of an industry such as the paper making industry, then it must mean the establishment of new firms as time goes on, and not merely the continuance and strengthening of the existing firms who happen to be making paper now. If we narrow our vision and concentrate too closely on the question of two or three particular firms, we shall not I think be looking at the problem in the right focus. There are bigger matters than that, and I personally look forward in the future to the establishment of Indian firms in various parts of the country who will engage in the manufacture of paper and of bamboo pulp. I wished to put these points to the Assembly at this stage because I think they are important, and there is one thing more that I should like to say. I have no doubt the paper manufacturers in India will have it impressed upon them by what has been already said in this House, by what is said in the Report of the Select Committee and by what is said in one of the minutes of dissent that a strong feeling undoubtedly exists in this matter. I have made the attitude of Government plain that they do not consider that compulsory methods ought to be adopted in the case of firms already engaged in the industry, but I also feel that an obligation rests on firms engaged in any industry in India which receives protection from the Legislature, that they should take reasonable measures to comply with the feelings expressed and held by a very large majority of Indians. I do feel that, and in particular the point which always seems to me most important is the providing of facilities for the training of Indians in the industry. I do not attach nearly so much importance to the proportion of Indian Directors, because it is the shareholders' money which is at stake, and naturally they are entitled to say who is to look after their interests. And here I may draw attention to another passage of the minute of dissent where it is said that the proportion of European shareholders in the Titagarh Mills has risen from 30 per cent. to 45 per cent. But why did the Indian shareholders sell their shares, and how are you going to prevent instances of that kind occurring in the future? That, however, seems to me a minor matter, but I do attach great importance to facilities being provided for the industrial training of Indians. I believe that the mills recognise the strength of the feeling that exists in this direction and that they will do their best to comply with the general wishes of the country.

Sir, I move.

Mr. B. Das: (Orissa Division: Non-Muhammadan): Sir, I was very much interested in the speech of the Honourable the Commerce Member. Towards the latter part of his speech he expressed his personal views with which every one of us personally agrees. I wish those personal views

expressed on the Treasury Benches and on this side of the House could be collected, co-ordinated and legislated so that it would become a national mandate to those industries that are operating in India and thriving under the protective tariff system of the Government of India. I entirely agree with my friend that he has rightly interpreted the feeling of the public and the feeling of the Legislature. Why is it then that he as the Commerce Member of the Government of India is not in a mood to agree with the minute of dissent and incorporate in the Bill a certain mandate on those firms? I think he entirely agrees with my minute of dissent which I have separately appended. The time has come when the Government of India must face the problem. Of course the Government of India are not responsible to the public opinion in this country or of this Legislature. The Government of India, peculiarly situated as they are, have to obey the mandate of the British Government and of the Parliament, and as my friend, Mr. Neogy, puts it, the British Government are nothing but another edition of the East India Company; and naturally the Government of India, having to voice the view points of the descendants of the East India Company, however individual members of the Treasury Benches may be disposed to agree with us on points raised on this side of the House, are not in a position to decide that they can legislate in the matter, whereby much of the suspicion that the Indian public have would vanish. My friend, in criticising the majority minute of dissent characterised the conditions which we seven persons intend to lay down very drastic on the industry. I do not think they would be drastic; they are based on equity and justice, and if my friend would only once make up his mind to agree on behalf of Government with those view points, he will smoothen not only the working of the Legislature here but of the conferences that are sitting or would be sitting six thousand or nine thousand miles away from this place.

I particularly want to draw the attention of the House to the five points that I have raised in my minute of dissent and to which personally my Honourable friend is agreed. I would like to read them. The first recommendation I have made is:

"When a firm or a public company deals with external capital, every facility should be given by it to attract Indian shareholders and there should be Indian Directors on board of such a company."

I think nobody will dispute this and nobody will raise objection to this. Of course my Honourable friend the Commerce Member asked, why is it that the Indian shareholders part with their shares in the Titagarh Paper Mills to the European investors? I do not understand the question of gambling in the stock exchange; but I have heard it said that sometimes the directors of a company pay low dividends in order to drop the prices of those shares in view of the fact that they have reserve funds, depreciation funds, etc., and also their own surplus money; then they buy up the shares and subsequently they pay high dividends, and in that way they corner the shares.

My second recommendation is:

"If the undertaking be a private concern and yet belongs to the British Empire, it should take steps to associate Indians in its management and employ Indian capital wherever possible."

[Mr. B. Das.]

I do not think anybody will raise any objection to that. The third one is this:

"Whenever firms are neither Indian nor British these should not be allowed to take advantage of the protection unless and until these promote joint stock companies with rupee capital and that at least 50 per cent. of capital and directorate should be Indian."

This matter was raised when the Steel Protection Bill was discussed in 1924-25, and the Government agreed at that time that they would embody similar views in case an industry received a bounty; but they did not agree that where an industry receives concessions in the shape of a protective tariff that industry should also be obliged to conform to these rules. Yet, my friend while discussing the Paper Pulp Bill said—(I am quoting his own words)—

"It is the established policy of the Government of India that when concessions, bounties and subsidies are given to industrial firms, then in the case of any company not already engaged in an industry we enforce the conditions recommended by the Fiscal Commission."

My friend introduced the word "concessions" in the year 1932; he ought to have introduced it in the year 1927 or rather 1925, when they gave the first protection to the paper manufacturing industry; and if that has been ignored why should firms established in India receive any protection at all? Although my friend the Commerce Member wanted to tie them down under the moral issue—by saying that those firms have certain moral obligations and they must fulfil them, we know that one forgets moral obligations when it is a question of £.s.d. and one only remembers how to multiply the £.s.d. So, why not introduce this moral obligation as legal obligations which will satisfy the public in India?

My fourth recommendation is:

"Wherever firms have non-Indian capital, these should train up Indians as probationers in the industry."

I find that the Honourable the Leader of the House and I are entirely agreed in this matter: and he is equally keen with me that protected industries should observe this condition; the only difference is that I want there should be a statutory provision that this training should be obligatory and legal and not merely moral.

"All firms, private or public, Indian or British, non-Indian or non-British, receiving concessions by protective tariff should submit annual returns of the extent of their purchase of Indian raw material or Indian stores and the percentage these bear to total requirements. Such annual returns should also state the facilities offered to Indian youth for technical training."

In a certain paragraph of the Report of the Tariff Board on protection for paper it is mentioned that the paper manufacturing companies do not buy Indian china clay on the pretext that it is not up to the requisite quality. When a firm is not in a mood to buy Indian produce, it can always bring out these pretexts. But what is the primary principle of protection? That it must use Indian raw material, and also simultaneously it must use indigenous Indian stores. If the foreign firms, be they British or non-British, come to India, they take advantage of the protective tariff, and they establish firms. They satisfy the condition of the grant of a protective tariff by using as little raw material in the shape of bamboo pulp as possible and they evade all moral and legal obligations for using Indian stores. I think when the Indian

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Fiscal Commission's Report was signed, they never had that idea in their minds. The Commission never thought that British or non-British firms installed in India would evade in that way the use of Indian stores. Therefore, I want the Government to legislate even by rules—I do not mind, it may not be in the shape of an Act, it may be in the shape of rules—whereby all firms receiving concessions should show that they are purchasing Indian stores and Indian materials for use in their manufacturing industries. And, Sir, this is not the first time that this subject has been raised. When certain firms in Calcutta and Jamshedpur wanted to manufacture wagons and underframes, this side of the House pointed out that they should show to the Inspector of Government in the Railway Department and in the Indian Stores Department that they use at least 50 to 75 per cent. of materials which are produced in India. If Government have slept over it, if they have not insisted it on other firms receiving concessions in the shape of protective tariff or bounties, it is their fault, it is not the fault of this side of the House. We cannot interfere with the Government in their daily routine of work. If they once concede a certain principle, if they once agree to a certain principle, they ought to see that the principle is brought out clearly in the shape of rules and regulations to which everybody conforms.

The very fact, that four of my Honourable friends have attached a separate minute of dissent in which they want a sliding scale of duty on wood pulp, shows that the paper manufacturers have no interest to use Indian raw material. It is money that they want; they do not want to develop Indian industries. It may be trotted out to me by a speaker later on from the European Benches, "Oh! We employ 10,000 Indian workmen". But if those men were not employed there, they would find employment elsewhere. They will be much better off to live in their own homes in the free air than in the slum quarters provided by the factories. When any industrialist works a factory he must employ workmen. How can that be a special benefit conferred on the workmen or on India simply because certain industries are receiving certain protective tariff concessions. The very fact that these gentlemen want postponement and a graduated scale of Rs. 20 in the first year, Rs. 35 in the second year, and Rs. 45 in the third year, shows that they will try to thwart the objective of this Bill, and they will try to make as much money as they can by importing foreign wood pulp for manufacturing paper. Yesterday we discussed a protective Bill which we passed into an Act, and to-day we are discussing another protective Bill, and therefore we should lay down the minimum amount of Indian raw material which must be used by these industries, whereon only protection should be given to the particular industry. On the last occasion when I spoke, I said that a protective tariff for bamboo pulp alone was adequate for this paper industry, but I did not think of mentioning and bringing that point out in the Report of the Select Committee as I found that the views of the majority were against me. But I must say that the apprehensions which I felt then still remain, as to whether the particular industries receiving protection will use Indian raw material. That is the most essential factor, which my Honourable friend the Deputy President also analysed and agreed to. If that be so, I hope if this Bill does not incorporate any such enactment, the Government will ask this House to give them special power to see that industries receiving protection use the minimum quantity of Indian raw material, or otherwise that the protection is to be taken off.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, the Select Committee, in paragraph 4 of their Report say:

"We do not propose that any amendment should be made in the Bill and we recommend that it be passed as introduced."

Notwithstanding the number of minutes of dissent that have been appended to this Report the Select Committee would like that the Bill as introduced should be passed.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Subject to the minutes of dissent.

Mr. B. Sitaramaraju: My Honourable friend, Mr. Mitra, says, subject to minutes of dissent, but I was reading, Sir, from the paragraph . . . .

Mr. S. C. Mitra: But that was not signed by everybody.

Mr. B. Sitaramaraju: . . . . which said that they did not propose to make any amendments to the Bill as introduced. Still, the Select Committee have made certain recommendations. As you know, any expression of opinion in the Report is not binding upon the Government. That in the Report of the Select Committee important issues have been raised, there can be no question. In fact, they have stated that the recommendations of the Tariff Board at paragraph 108 should be taken into consideration, and that the Government should act up to them. That paragraph 108 has taken note of the recommendations of the Fiscal Commission in paragraph 292 of their Report, where a certain policy was stated to be the settled policy of the Government. And in the minute of dissent appended to this Report by the Honourable Sir George Rainy, he questioned the interpretation of the Tariff Board and suggested that the settled policy of the Government was not as stated by the Tariff Board in Article 108. Therefore, Sir, it raises the question as to what exactly is the settled policy of the Government. In paragraph 292 of the Tariff Board's Report, Mr. Chatterjee on behalf of the Government stated thus:

"The settled policy of the Government of India, as I think we have mentioned more than once in this Assembly, is that no concession should be given to any firms in regard to industries in India unless such firms have a rupee capital, unless such firms have a proportion, at any rate, of Indian directors, and unless such firms allow facilities for Indian apprentices to be trained in the works. This has been mentioned more than once, and I can only repeat this declaration."

So far as these words are concerned, there can be no doubt that what was in the mind of the Government's spokesman on that occasion was that he intended that this paragraph 292 should apply to all firms alike where they received some assistance from Government, because I find from the note of dissent appended to this Report, Sir, by yourself and other Members of the Fiscal Commission it is stated thus:

"Our conclusion, therefore, is that every company desiring to establish an industry after the policy of protection has been adopted in India should be subject to the same concessions which are recommended by our colleagues, namely, that all such companies should be incorporated and registered in India with rupee capital, that there should be a reasonable proportion of Indian Directors on the Board and that reasonable facilities should be given for the training of Indian apprentices."

That was the minority report on that occasion. Therefore, the Government at the time thought that the recommendations made in the Fiscal

Commission in paragraph 292 should apply to all companies, and that appears to have been the irresistible conclusion that the Government could arrive at on the Report of the Fiscal Commission. Sir George Rainy has stated that afterwards the External Capital Committee has recommended otherwise. Here in the External Capital Committee they made two broad distinctions as regards the assistance which has to be given by the Government; namely, one where bounties are given and the other was where a trade protection was given. At page 10 of their Report the External Capital Committee say this:

"Where a bounty or definite concession is being granted to a particular company, it is certainly practicable to impose any restrictions desired in return for the concession, but where a general tariff is imposed, and any concern operating in the country will derive benefit from it without the necessity of approaching Government for any special concession at all, no practical method has been suggested to us whereby discrimination could be effected."

That was the External Capital Committee's Report. Reference has also been made to the Steel Industry Protection Act. Clause 5 of that Act says this:

"Notwithstanding anything contained in sections 3 and 4, no bounty in respect of steel rails, fish-plates or wagons shall be payable to or on behalf of any company, firm or other person not already engaged at the commencement of the Act in the business of manufacturing any one or other of such articles unless such company, firm or person provides facilities to the satisfaction of the Governor General in Council for the technical training of Indians in the manufacturing processes involved in the business and in the case of a company—

(*a*) Registered under the Indian Companies Act of 1913,

(*b*) Capital in Rupees, and

(*c*) Indian Directors."

From this it would appear that since that Bill was discussed in 1924, the policy of the Government appears to have been changed. If I am correct in interpreting paragraph 292 of the Tariff Board's Report, as has been proved by Mr. Chatterjee in his speech before the Assembly, it would appear from this that there was a change in the policy of the Government, and the policy was more in consonance with the minority of the Fiscal Commission than with that of the majority view because here . . . . .

The Honourable Sir George Rainy: May I interrupt the Honourable Member for one moment? I am not quite sure that I have caught his point. Is he suggesting that there was a change between the date of the Fiscal Commission's Report and the Steel Industry Protection Bill? I have no controversial intention; I only want to understand.

Mr. B. Sitaramaraju: I was saying that from paragraph 292 of the Fiscal Commission's Report and from the statement made on behalf of Government by Mr. A. Chatterjee it would appear while that no distinction was sought to be made between company and company, in 1924 when the Steel Protection Bill was before the House, a clear distinction has been made in regard to operating these bounties in favour of new firms. Therefore, I am suggesting that it is quite clear from these two that the policy of Government between 1922 and 1924 has changed considerably. Therefore on this ground I am unable to say what the settled policy of the Government is. If I am mistaken, I shall be glad if my attention is drawn to any particular incident or statement of Government where the settled policy of the Government has been mentioned as such.

[Mr. B. Sitaramaraju.]

My next point is this. Sir George Rainy in his minute of dissent stated:

"Nor can I admit that the placing of an order with a particular firm necessarily involves any concession to that firm."

Here on behalf of Government the Honourable Sir George Rainy would like to say that the placing of orders by Government with a particular firm would not operate as a concession to that party, but I venture to suggest that it does act as a concession. Government are a large purchaser of stocks, and when they give orders to a particular firm, it must necessarily operate as a concession to that firm, or you might call it a patronage to that firm.

Lastly, Sir, I would like to say one thing to clear all misunderstanding. There is no general desire on our part to put any unjust handicap on any existing company at all. All that we would like to say is that there should be Indianisation as far as possible, and that the companies who derive benefit from us should respond to that desire on our part and meet us as much as they could. Further, I feel some delicacy in going over this matter at this stage, because the whole question is reviewed elsewhere. Under these circumstances I would like that Honourable Members should take a dispassionate view and request the Government to give us an opportunity to discuss the whole policy underlying these concessions.

Mr. G. Morgan (Bengal: European): Sir, I would like to point out that the whole basis, or rather the whole reason for this Bill, is to foster the use of bamboo pulp, and for that reason it is desired to put the mills in such a position, having carried on to a certain extent experimental work in this connection, as to enable them to carry out much more concentrated work of the development of the bamboo pulp industry. At the present moment about half of their raw material consists of wood pulp. The object is to decrease this amount of wood pulp gradually and go on with the crushing of bamboo and make bamboo wood pulp from which, it has been proved definitely, an excellent quality of paper can be made. Now, we know the position of the mills when first protection was granted. As far as figures show they were bankrupt, and it took some years before they were financially in a position even to start the experimental stage. That is acknowledged by the Tariff Board itself in its Report. This experimental stage is now coming to an end and the mills now are just about in a position to put more money into the extra machinery and further development of their mills for the production of bamboo pulp, and when my Honourable friend, Mr. Das, spoke about the period of protection, it is very important that the protection should be for a considerable length of time. You cannot expect people to go on from year to year in the expectation of protection being given by this Honourable House. If they know definitely that protection will be given for a fair length of time then all their energy can be devoted to the objects with which this Bill is brought forward, and I know the mills are fully alive to the necessity for pushing on, now that the experimental stage is over, as fast as possible with the plant for the development of the bamboo pulp itself, and I am perfectly certain that if this House passes this Bill and gives protection for the period

of time asked for, they will be astonished at the development after the next two years. With regard to the question of the sliding scale, that was merely put forward because in the first two years there will have to be a considerable amount of money put into the mills for the bamboo pulp work. Now at the present moment, as everybody knows, there is a very bad depression. Prices of paper have fallen and we thought we might mention the fact that this Rs. 45 a ton, import duty on wood pulp was a fairly heavy charge for the first two years being a period of depression, which shows at the present moment no sign of lightening. It would ease the financial position of the mills to enable them to put in the extra money required. I do not quite understand what my Honourable friend Mr. B. Das meant. I hope I am quoting him correctly when he said that the Bill does not incorporate the use of Indian raw material. I thought that was the whole object of the Bill. The object of the Bill was to make the mills use Indian raw material by putting on this duty of Rs. 45 for the wood pulp and to give a little twist to the tail of the mills to get on with the bamboo pulp. That is the whole object, to make them use Indian raw material.

Mr. B. Das: I want the whole body to be twisted, not only the tail.

Mr. G. Morgan: After many years residence in India, I understand that twisting the tail is the best thing to do. With regard to what was said about Indianisation, I do not want to labour the point. The Honourable the Leader of the House has mentioned some facts and my friends can take it from me that the mills are fully alive to the position and they are fully aware of the views expressed by this Honourable House. I can again say quite definitely that they are quite alive to the position. My Honourable friends will understand what I mean by that. I do not think there are any other points that I want to make at this stage of the discussion but I am sure that notwithstanding the minutes of dissent that have been put forward, this House fully realises that protection must be given to the paper mill industry, and that it must be for the period asked for in the Bill.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, the measure for the protection of the paper industry that we are now considering is in a way analogous to the measure for the protection of the wire and wire nail industry which we considered yesterday. What was aimed at in the Bill for the protection of the wire and wire nail industry was not so much to give effective protection to the industry at this stage, but to create conditions for the manufacture of the raw materials required for that industry. I find, Sir, that the measure that we have now before us is analogous to that other measure in that, after giving to the paper industry protection for the period of 6½ years, we have now created a situation whereby there is every possibility of the raw material for paper, namely bamboo pulp, being manufactured economically in our country. In 1925, this House, on the recommendation of the Tariff Board, granted protection to the paper industry. They did not grant protection for the manufacture of bamboo pulp, but we expected, and the Tariff Board also expected, that with the surplus funds available to the paper mills as a result of the protective measure then offered, those mills would be able to conduct experiments in bamboo pulp making. If in 1925 protection for bamboo pulp was not

[Mr. R. K. Shanmukham Chetty.]

granted, it was because the Tariff Board, after an expert inquiry was made, found that the manufacture of paper from bamboo was still in an experimental stage. They therefore definitely recommended that the only logical way of giving assistance to the bamboo pulp industry would be to ask the Government to give financial assistance to certain paper mills in India for carrying on the experiments in bamboo pulp making. For various reasons the Government of India decided that it was neither feasible nor advisable to give to the paper mill mentioned in the Tariff Board Report the financial assistance recommended by the Board, and this House concurred with the decision of the Government of India. To-day the Tariff Board, after further inquiry, has now satisfied itself that the quality of paper made from bamboo pulp will be perfectly satisfactory, that the price of bamboo is now at an economic level to encourage the development of the bamboo pulp industry, and that if some further protection is granted, paper made from bamboo pulp will be in a position ultimately to dispense with protection. Under these circumstances, the Board has recommended the continuance of the duty of one anna per pound on imported paper and the imposition of a duty of Rs. 45 per ton on imported wood pulp. From the leaflets that I have been getting for the last one week, printed I suppose on paper made in India, I take it that this measure has aroused a great deal of interest and controversy. Closely following this controversy, I find that there are two opposite schools of thought; one school which has been most active in its propaganda, wants the duty on imported wood pulp to be still further increased, and another school, represented I suppose by the existing paper mills, wants the duty on wood pulp to be decreased or to be fixed according to a graduated scale. After very carefully considering the implications of these two ideas, the Select Committee came to the definite conclusion that on the whole it should advise the House to adopt the Bill as it was originally introduced. Sir, I followed very carefully the arguments used by the advocates of an increase in the duty on imported wood pulp, and I must regretfully state that these arguments seem to me to be based not so much on the ground as to what is good for the industry at large but on the supposed grievances which the public have with reference to certain paper mills in India. That consideration, to my mind, therefore, seems entirely irrelevant to the issue we are now faced with. With regard to the attitude of paper mills in India about the conditions mentioned by the Fiscal Commission regarding Indianization and other matters, I shall revert later on. I will only say one word to those who would advocate a graduated scale of duty on wood pulp or would reduce the duty on wood pulp. The Tariff Board have found that, on the present cost of production of paper and the selling price of imported paper, a duty of Rs. 123 per ton would be sufficient to protect the paper industry in India, but as a matter of fact it asks us to continue the protection of one anna per pound, which really comes to Rs. 140 per ton, and this extra duty is recommended by the Tariff Board as an off-set to the handicap that the paper mills will suffer from as a result of the imposition of the Rs. 45 duty on imported wood pulp. Therefore the effect of the duty on imported wood pulp has been sufficiently taken into consideration by the Tariff Board in deciding the duty that is to be imposed on imported paper, and I would strongly recommend that this House ought to accept the findings of the Tariff Board on that matter. It has been brought to my notice that the duty on wood pulp which has been recommended by the Tariff Board at Rs. 45 per ton, will really be Rs. 56-4-0 per ton, because there would be the surcharge of 25 per cent. according to the Indian Finance Act. To this, the answer is very simple. The Tariff Board recommended one anna per pound, or Rs. 140 per ton, on imported paper and the surcharge which applies to wood pulp equally applies to the duty on imported paper and while the surcharge on wood pulp is Rs. 11-4-0 per pound, the surcharge on the paper duty is Rs. 37½ per ton. Therefore, whatever disadvantage might accrue to the paper industry as a result of the imposition of the surcharge has been more than made good by the imposition of a corresponding surcharge on the duty on paper, and for these reasons I do not think any case has been made out for reducing the duty on wood pulp. Now at this stage I would like to say only a few words with regard to the question of Indianization and other matters recommended by the Fiscal Commission and about which the Select Committee has made a remark in paragraph 2 of its Report. I am entirely at one with the Honourable the Commerce Member that when you levy a protective duty on any material, you cannot make any distinction between one firm and another carrying on business in the country. A protecting duty must certainly be beneficial to everyone that carries on business, irrespective of whether a person or firm carries out the conditions that we have in view or not. The Select Committee was fully alive to this aspect of the question. They have not recommended that any handicap ought to be imposed on existing firms which do not satisfy these conditions. I think this House has got the right to expect from Government that, in extending their patronage or in giving specific concessions to any particular industry, they should insist that these conditions ought to be satisfied by the firms concerned. I do not think that a demand of this nature can reasonably be resisted by a company carrying on business in India. Whether a company is managed by Indians or by Europeans, we do not now seek to make any discriminatory laws against them. I am absolutely clear in my mind on that point. But if any company expects the patronage of the Government, if a company expects certain concessions to be given to it for carrying on that business, then certainly that company has no right to grumble if the Government turn round and say, "Well, gentlemen, you must satisfy these conditions if you want our patronage", and that is all that the Select Committee has recommended. I do hope that the Government, in granting any concessions to the paper industry, or in extending their patronage to any paper mill, will insist upon the observance of these conditions by these industries. Sir, at this stage I do not think it necessary for me to go into greater detail, and I support the motion for consideration.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, after the very closely reasoned and able speech of my Honourable friend, Mr. Chetty, it is necessary for me to explain why I stand here to support the Bill as it stands. Sir, the issue raised by my Honourable friend, the Leader of the House, in his minute of dissent as to Indianization is so important and vital that I should not allow his remarks to go unchallenged on this side of the House. Sir, my Honourable friend, the Deputy President, has already agreed with the Leader of the House that it is difficult to discriminate in imposing a protective tariff between firm and firm and individual and individual. I think that is universally recognized, and I do not see also how you are going to make a distinction in that respect between existing firms and incoming firms, unless you introduce conditions as to registration in the Companies Act perhaps. I do not see how you are going to impose a discrimination between new firms that are coming into existence and old firms in respect

[Diwan Bahadur T. Rangachariar.]

of tariff duties. My Honourable friend, the Leader of the House, recognizes that it would be just to impose such restrictions both as to ownership, as to directorate and also the training of apprenticeships in the case of new firms unreservedly; that is how I understood him. And he has also as an individual told us that he agrees with the principle underlying the recommendations of the Indian members of the Committee. Therefore, I take it that he has no quarrel with the principle. I do not believe that the Honourable Member can have a different conscience as a Member of the Government and as an individual. If the principle is sound, there must be some way of finding out methods by which you can enforce it. It is all very well for my Honourable friend Mr. Morgan and his companions to give us the assurance that they are fully alive to the feelings and sentiments of this side of the House. But, at the same time, human nature being what it is, and knowing by past experience what progress has been achieved in this direction by my Honourable friends and their predecessors and is likely to be achieved by their successors, it is but right that there should be some moral sanction to enforce the acceptance of the principles to which we have all agreed, because I do not think that any human institution can thrive, whether it is a Government or otherwise, without some sanction behind it. There must be some way of enforcing the observance of principles on which we are agreed. How are we going to do it is the question? My Honourable friends, the Members who have written their note of dissent, have not suggested any effective method of enforcing their principle. The only thing which I find they have given notice of in order to enforce their wishes is reducing the period for which protection should be afforded. That is the only notice of amendment that I have seen on the paper. They say that it is an indirect method of getting their objects attained. But I doubt, Sir, whether it is an efficacious method of getting what you want done. It will destroy the very object you have in mind. If you really want to give protection to the industry—apparently my Honourable friends are agreed upon giving this industry protection—then let us do it wholeheartedly and not in a half-hearted way. Let us do it effectively so that the object we have in mind of establishing the industry may be attained. But if you ask them to come to you year after year, or once in two years or once in three years, you do not encourage them to do what they should do. They have to invest capital; they have to take risks. Therefore, by all means, I am agreed that we should give them a long period within which they should make the experiment and make the business a real success. Therefore, I am not in agreement with my Honourable friends that the proposal which they make for shortening the period will be a sound policy to pursue for this House. But how else are we to do it? We cannot make a distinction in the tariff. If it was the case of bounties, you could withhold bounties if firms and individuals did not observe the tests which you might apply. But this is not the case of bounties. This is the case where we are trying to impose a tariff wall, as it were. Now, therefore, the only way in which we can do it is by asking the Government to stick to the policy which Mr. Chatterjee accepted before the Fiscal Commission. I do not see what reason there is for the Government not to accept that policy. My Honourable friend, the Leader of the House, in his minute of dissent says that as Government they cannot agree to the principle that Government orders should not be placed with them if they do not comply with the conditions. I do not see why not. Government orders are very large orders to which many a company looks forward, and why should they not make it a condition that they will not give such orders if the firms or companies do not comply with these conditions, the most important of them being the training of Indian apprentices. I understand from my Honourable friend, Mr. Chetty, that the Government orders extend to the limit of nearly 10,000 tons per annum. It is a very large patronage, and do not the Government discriminate in distributing their patronage in other matters? Is not the Honourable the Home Member aware of the distinction they make in distributing advertisements to newspapers? Are not Congress papers banned from getting advertisements? Similarly, if you can get the paper elsewhere—I do not mean to say that you should pay extravagant prices for it elsewhere—of a similar quality for nearly the equal amount, certainly you should place the orders with those firms and persons who can comply with the conditions as to Indianization.

Mr. B. Das: But that applies to Sir Joseph Bhore's Department.

Diwan Bahadur T. Rangachariar: Whoever it is, I am appealing to the Government of India. I do not see any practical difficulties. My Honourable friend agrees with the principle individually. Why should he not agree with it as a Member of Government? I ask in all conscience what is the difficulty which lies in his way in accepting it as part of the Government policy? The Government policy should be to encourage indigenous industry. It is after all the industry which wants protection at the hands of the Government. No doubt the Government are giving it protection in this case in the shape of tariff legislation, but there are certain matters in which the Government can also help. For instance, apart from placing orders, there are also, I am sure, such firms which require concessions in dealing with Government forests, in getting bamboos and other materials which they may require. Why should not Government impose restrictive conditions? Government can very well ask them that they should show improvement by actually training Indian apprentices, giving them equal chances of employment and so on. I do not mean to say that you should be unjust to the existing incumbents, but just as we are forcing the hands of Government in the matter of Indianization, why should you not force the hands of these firms who thrive on Indian soil, who thrive on Indian products and who thrive with Indian help? Therefore, I say that there is no injustice whatever in enforcing these conditions in these matters. The Honourable Member has not explained fully. He says placing of orders are not concessions. They are concessions in my view, but whether you call them concessions or not, it is immaterial. I look upon them as concessions, to place orders with these people. I am not bound to go to a particular firm and get my boots. I can patronise such firms as I like. Similarly, Government can patronise such firms as they like. Therefore, these are just conditions. My Honourable friend agrees as an individual that it is a just condition to impose. If he were giving orders himself, I am sure he would impose the conditions. He would go to a firm and buy his paper from a firm which satisfied his requirements. Similarly, I say the Government, after all, is composed of individuals and, if individuals share that belief, I do not see why they should hesitate to apply it in practice.

[Diwan Bahadur T. Rangachariar.]

Sir, the matter is far too important. As I said yesterday, we are wanting in education and we are wanting in opportunities for training. I am not so much concerned with Indianizing the capital or with Indianizing the directorate. That will amount to confiscation of property in the case of existing firms. But in the case of the future firms, by all means we can insist upon those conditions. I am not for confiscating anybody's property. By all means let them enjoy the property which they have earned with their efforts. But in the matter of the training of Indian apprentices, the art of making paper and the art of sale in various other matters we should insist upon it. Mere expression of opinion on the part of the individual Members will not do. Mr. Morgan is here to-day, but tomorrow he may not be here. My Honourable friends who form the European Group change almost every six months. Therefore there is no object in this lip sympathy which we do not care for. We must have some sanction behind it. I am sure the Government of India recognise that there should be a sanction to enforce these conditions, and I hope and trust that they will not stand on any technical grounds. Certainly, they must declare it as their definite policy that they will not encourage firms who do not subscribe to these conditions in practice. If they do so openly, I am sure the firms will fall in. If the firms are inclined to do so, this will be an inducement offered by Government to make them observe these conditions. With these words I support the Bill as it is and I earnestly implore the Government that they will reconsider the question of their policy in this respect.

Mr. S. C. Mitra: The House is committed to the principle of affording protection to the bamboo paper industry and not merely the paper industry. We are to see that this industry is protected and it is the main concern of Indians to see that it does flourish, and at the same time we are to see that our main purpose is not overlooked in the hurry of the thing. From our past experience, we have found that these English manufacturers of paper have not treated us well We gave them seven years' protection. Now there is a suggestion by some members of the Select Committee that the period should not be so long again. It is not that we are against giving long term protection, but we want to see that the industry has the potentiality to make its own progress. But to have a control on these people, we want the period of future protection to be shortened. The manufacturers of paper have not come to us with clean hands. What has happened during the last seven years? I find that instead of increasing the consumption of paper pulp, they really utilised a lesser quantity. We find that the manufacturers instead of using an ever-growing quantity of indigenous material of bamboo pulp have steadily reduced their demand from 25,500 tons in 1927 to 17,000 tons in 1930. I ask my friends who are against reduction of the period for protection to note the fact that we are dealing with people whom we found in the past did not heed the main purpose of the Bill. On principle we agree that this industry requires protection for a long period, but we find that, unless there is some check, the paper manufacturers will act in the same way as they did in the past. As a matter of fact they will frustrate the very purpose of encouraging the bamboo pulp industry in India. That is the main reason why we wanted that the period of further protection should not be seven years but a lesser period. We are quite agreeable that the principle might be laid down, and if necessary it may be incorporated in the Act itself, that protection will be

given for seven years or more or even for a further period, but the question will have to be brought before the House at short intervals, so that we may judge that the paper manufacturers are conforming to the general principle of this Bill, namely, the furtherance of the bamboo paper pulp industry and not only of the paper industry alone. In this connection we should not forget the interest of the consuming public. Large quantities of paper are still imported and it is not really a question of favour from the Government alone. It is the public who are spending large sums of money every year by paying higher prices. They can claim that they are not to come and beg before the Government for favours but ask the Government to make clear conditions with the paper manufacturers before they extend their patronage. It is the ordinary consumer who is paying all this money in the shape of additional taxation. The Indian manufacturing firms are producing 40,000 tons, but even now we are importing from outside more than 100,000 tons. As a matter of fact that was the reason why such an important body as the Indian Journalists Association, at their meeting passed the following Resolution:

"Whereas, the Paper Mills of India have failed to take advantage of the Protective Tariff to Indianise their controlling and supervising staff and to increase the use of indigenous raw material in the manufacture of paper instead of using foreign wood pulp, the import of which is growing year by year, and whereas the customs revenue duty on paper has been increased already to 25 per cent., which was considered in 1925 sufficient for protection of the industry,

it is resolved—

That, the Government be requested to withdraw the Bill now before the Assembly proposing further extension of Protection;

That the members of the Assembly be requested to reject the Bill if it is not withdrawn;

That if any protection is given, a clause for compulsory Indianisation be introduced in the Bill;

That the duty on the imported wood pulp being fixed in the Bill at Rs. 45 per ton is inadequate and this should be raised to Rs. 70.

It is further resolved that a change in the quality of the Newsprint increasing the wood pulp contents from 65 per cent. to 75 per cent. contrary to the findings of the Tariff Board for the purpose of assessing protective duty will have the effect of lowering the quality of the Newsprint papers to the great detriment of the Newspaper business."

I do not say that I fully accept the views of the Association but what I should like to impress on the House is that they, as a public body, also feel that the advantage due to this duty is not being used for the benefit of India. We all agree on the general principle that if ultimately there is a chance of India getting paper cheap, we shall have for the time being to pay more, but it must be proved and I should like to hear from the Government Member or the representative of the manufacturing firm, that this paper pulp industry has reached a stage when it is no longer in the experimental stage. As a matter of fact my Honourable friend Mr. Chetty said that it had passed that stage, while Mr. Rangachariar said that it was still in the experimental stage. I should like to know for certain whether bamboo as a material for paper pulp is still in the experimental stage or whether it has reached the stage now that it will only require protection for a few years so that it may prosper and ultimately India may get, with the help of bamboo pulp as material paper at a cheaper price. If that is proved there will be no opposition from this side of the House, though the owners of the paper industry—the present paper manufacturers—are so

[Mr. S. C. Mitra.]

or 85 per cent. Europeans. That is not our quarrel. If we are once convinced that there is a chance for India getting paper at a cheaper rate, we will certainly support the Bill, but our purpose is to make it quite clear that by putting a shorter period for protection we do not mean that the paper industry might not require protection for a long period, nay, we are prepared to say in the Bill itself that we shall agree to any reasonable period which the paper industry may deserve.

Mr. R. K. Shanmukham Chetty: I should read to the House the passage from the Report of the Tariff Board:

"It may reasonably be expected that paper made from bamboo will eventually be able to dispense with protection."

Mr. S. C. Mitra: I should like to have that assurance that the industry has passed the experimental stage and within a small number of years we will get paper cheap. If we get that assurance we are for this Bill. As regards other matters, I should like to say a few words. As regards newsprint, it was pointed out that Government have accepted in principle that material for newspapers should be provided cheap and yet in the Bill provision has been made to alter the percentage of mechanical wood pulp from 65 per cent. to 70 per cent. in the printing papers to exclude them from the higher rate of duty. In the Select Committee it was suggested on behalf of Government that they did not intend to make any change but that it was only for administrative advantage in the collection of custom duty that a small change had been made. We should like to be assured in this House that really it will not affect further the newsprint which was liable to a lower scale of duty hitherto. That is all I have to say at this stage of the Bill.

Sir Edgar Wood (Madras: European): Sir, I rise not to try and give Mr. Mitra the assurance that he asks for, because personally I am not sufficiently acquainted with the paper mill industry to give any assurance of any sort. What I wished to speak about mostly was this question of Indianisation which my Honourable friend Diwan Bahadur Rangachariar and others have spoken about. Personally I think there is a good deal of unnecessary agitation in people's minds about the question of Indianisation, because actually so far as my own observations go, Indianisation is proceeding very rapidly indeed. One has only to instance the Imperial Bank of India . . . .

1 P.M.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): What is the percentage there?

Sir Edgar Wood: I have not got the percentages here but I am quite sure that figures shewing the percentages of the Indianisation in the Imperial Bank when presented to my Honourable friend would cause him very considerable astonishment. My own policy has always been to Indianise, as far as possible, not only from sentimental reasons, though naturally those must count, but in the general interests of industrial concerns. Those, who have gone in for a policy of Indianisation, have undoubtedly succeeded beyond those who have remained more conservative.

There is that link between the East and the West which is invaluable in commerce and industry, and there is continuity and many other valuable assets which one acquires by bringing Indians into closer contact with the management. I say that Indianisation must come automatically in all departments of commerce and industry and that it is not necessary to force it; and that attempts to force rapid Indianisation are I think likely to do harm. I do not think it is a matter in which you can use force, as is proposed by some Honourable Members who have dissented in the matter of this Bill. My own experience for more than 30 years in India has shown that there are very great difficulties attendant on Indianisation. For instance, as the Diwan Bahadur mentioned, this question of apprenticeship. One has to go very wide afield to find the right people. They are not always at hand, and then there is the attitude of the fathers of those young boys. Some of them are extraordinarily astonished when they find that the openings in commerce and industry are not nearly so attractive as they had imagined, and when one recounts to them the training which the average European has to go through, that he is not usually considered to be suited for a responsible billet until he has had about ten years' experience, during a long part of which time he has to be supported by his parents; and when they find that at the end of ten years their sons will probably not be quite at the top of affairs and that a European does not expect to get to the top in less than 25 years, and then possibly only one in a hundred goes to the top, it is sometimes rather difficult to persuade people to throw in their lot with the commercial man. It is a very long road to riches, and in reality I think the money in industry, as the Diwan Bahadur said yesterday, goes rather to the country than to the individual. The Fiscal Commission stressed that point when they said that the objects to be followed should be to ensure that the benefits accrue primarily to the country, and I think my Honourable friends are a little inclined to think that the individual is the person who is to be benefited and that unless all the individuals are Indians, the country is not being benefited, whereas exactly the opposite may be the case. In my opinion it is not the individual that we should look after, it is the size of the industry which we are aiming to introduce.

Then on this question of protective tariffs, I only want to speak about the existing concerns, because the question of new concerns does not arise today. And what I wish to do is to express a certain amount of surprise at the ethics of the Tariff Board, as disclosed in their recommendations and of those Honourable Members who signed the dissenting minute. It seems to me that really the Tariff Board and those Honourable Members have a quite immoral outlook. And I think Diwan Bahadur Rangachariar showed that he too must be joined to that band since I have a note here that he said that you must enforce Indianisation. The recommendation, as I see it, is that by the operation of a protective duty, the Legislature should have the right to take away rights already existing, because that is undoubtedly what it amounts to. It is not possible to grant protection by tariffs to one concern and not to another, though that would mean in effect expropriation; but what must happen in practice I think is that the Government would say, "Unless you comply with certain stipulations that we make, your licence will be taken away".

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Do they have to take out a licence?

Sir Edgar Wood: They will have to take out a licence, I take it, to trade under a protective Act. Then they will not be entitled to carry on their business unless they comply with the regulations. Government cannot withhold protection and therefore they will withhold the licence.

Sir Cowasji Jehangir: Is that the Honourable Member's suggestion?

Sir Edgar Wood: That is my reading of what must happen. And I ask, in that case what about the fundamental rights of the individual? I am talking of concerns in existence. It would simply be expropriation pure and simple. It does not affect only the individual, it affects all his dependants; and it seems to me a most immoral policy to follow; and the worst of it in this case is that it would be aimed so far as one can see at a community carrying on its hitherto quite lawful occupations. I think Honourable Members who hold that view should be perfectly honest with themselves and say instead "There is a community whose interests we wish to share; let us expropriate them if we cannot share". And they should bring in "an Act to expropriate attractive commercial undertakings"! I think that is what this suggestion amounts to. I cannot think that when it is examined carefully in that light, the policy will be such as really to commend itself to anybody in this House, because I am perfectly convinced that our friends are very fair-minded people.

I am all for Indianisation, but I am not for Indianisation by force, which is what this suggestion is . . .

Mr. B. Das: You are for protection by force, I hope?

Sir Edgar Wood: Mr. Das enlarged on this question of Indian directors. That must come; it is coming very fast; we want Indian directors; we want the right type of Indian directors to help us; we must have them, in my opinion; but what can be the moral sanction for forcing an existing board to reconstruct just because a tariff is imposed? That is what the suggestion is; there is no suggestion that Indian directors are required to acquire a large share-holding; they should just be put in part possession. It seems to me rather like going to a race meeting with a wad of notes and being told that you ought to hand over part of it so that some other man may back his own fancy on your behalf; it does not seem to me to be extraordinarily attractive! But at the same time as I say Indianisation has to come, but we have to remember that care must be exercised. The case of the Andhra Paper Mills does not give us a great deal of anxiety to utilize Indian directors who are not acquainted with the particular work which is entrusted to them. What I would like to ask my friends is this, whether they consider that the Legislature should have a right to legislate for the alteration of directorships and should have the right to control companies—which is what it really comes to—merely because they elect to put on a protective duty. It is a general principle; should a Legislature be able to dictate to a company merely because it puts on a protective duty? India requires a great deal of money. There is a great deal of money in India requiring to be mobilised; but I do think that India needs our presence here in industries to help to mobilise this money. We ourselves need to Indianise for our own self-protection, and India needs us if capital, both Indian and European, is required in Indian industry. I do not wish to take the further time of the House on other aspects of the 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.

Lala Hari Raj Swarup (United Provinces: Landholders): Sir, the last speech from the Honourable Member from the European Group has made my task much easier. He said that he sympathised with our claim for Indianisation, but he added that the Tariff Board wants it to be done by force. I will just invite the attention of this House to the first few lines of para. 107. This is what they say,:

> "On a review of the facts stated in the foregoing paragraphs, we find that of all the three companies in Bengal, the least satisfactory record in that respect is that of the Bengal Paper Mill Company. This company has been in existence now for over 40 years and during this long period they appear to have made no progress whatsoever in associating Indians with the Directorate and superior establishment."

It was based on this indifference for the last 40 or 50 years that this Company took no steps to advance in the direction of the superior management and directorate; they came to the deliberate conclusion that when the Government grants them any concessions in matters of leasing of forests or purchase of paper from these companies, they should expect these companies to carry out the recommendations of the Tariff Board in this regard. This side of the House never wants to expropriate any rights from the existing companies, but when you are going to get a benefit of over 2 crores during the period of protection, it is but fair and just that this side of the House should expect from the Government, as also from those companies, an assurance that they will train Indian apprentices and also Indianise the superior services and also put a larger number of directors on the directorate. My friend Diwan Bahadur Rangachariar said that we did not make any constructive proposal to secure this end. We did not think it necessary to do so, because in the Report of the Select Committee in para. 2, we have invited the attention of the Government to the recommendations of the Tariff Board contained in para. 108, where they say that in case of purchase of paper and grant of concessions the Government should enforce these conditions. It is speeches such as those made by my friend, Sir Edgar Wood, and the refusal on the part of Government to incorporate our desire in the statute, that has compelled us to append this minute of dissent. The further consideration that led us to append our minute of dissent was that when these companies get so much advantage from protection, it is up to them to use Indian material in large quantities. From facts it appears that things have happened quite the other way. As my friend, Mr. Mitra, said, the total quantity of Indian material used has been reduced from 25,000 to 17,000 tons and the use of imported wood pulp has also considerably increased. Even in the case of the India Pulp and Paper Company, which was the original protagonist of this idea at the time of the last Report, the turn out of hand-made paper has gone down from 1,943 to 1,876 tons. If the Government accept the recommendations of the Tariff Board, as embodied in paragraph 108 of the Report, and the European Members also have no objection to its being incorporated in the Bill, I do not think we need press for the reduction of the period. The Legislature can only have power when they give a smaller period in order to review the whole position and see how far the various companies engaged in paper making have behaved and carried out the instructions of the Legislature. So, Sir, unless some definite assurance is forthcoming from the Government as also from the European Members, we should press for the reduction of the number of years.

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Dr. F. X. DeSouza (Nominated: Non-Official): Sir, before this House decides to vote for this measure, I think we ought to be satisfied first that the use of indigenous material for the manufacture of paper on a more extensive scale than has been done in the past is assured, and secondly, that Indian participation in the management of the superior branches of the industry is also equally assured. I regret to say, after a careful study of the Tariff Board's Report as well as of the voluminous literature that has been supplied to me from the press as well as through the post office, that on neither of these points is the assurance quite satisfactory. Turning to the first point, it appears, Sir, that while during the last 6½ years during which the protection has been in force, the total amount of duty that has been collected is something in the neighbourhood of 2 crores of rupees, the amount spent by the several mills in additions and improvements comes to something like 47 lakhs, and out of this amount, the actual sum spent in connection with the installation of bamboo pulp machinery for crushing bamboo is only 13 lakhs during the last 6½ years, and the Tariff Board states that there is an intention to spend 3½ lakhs more on bamboo pulp crushing installation in the near future. So that, Sir, while the duty of about 2 crores has been levied from the public, the various companies have spent 13 lakhs in all and they intend to spend another 3½ lakhs in the near future, on installations connected with crushing bamboo. So that what it comes to is this, that so far as the employment of indigenous materials is concerned, it has been a case of great cry and little wool.

Turning next to the production side, it appears from the figures given in the Tariff Board's Report that between the year 1924 and the year 1930, while the amount of bamboo pulp used in 1924 was 2,000 tons and in the year 1930 was 3,700 tons, the amounts of wood pulp used during those years were correspondingly 7,976 tons and 17,529 tons. So that it looks as if the paper mills have been taking advantage of this protection, not for the purpose of extending the use of indigenous material, but for filling up the pockets of their shareholders. I venture to think that, instead of calling the Act of 1925 the Bamboo Pulp Protection Act, it should be called the "Shareholders' Pockets Protection Act". What are the probabilities of the more extended use of bamboo pulp in view of the recommendations made by the Tariff Board? As an incentive to the use of bamboo pulp, the Tariff Board recommends that a protective duty of Rs. 45 per ton should be levied on wood pulp, and the Tariff Board says that with this extra duty on the wood pulp, considering that already the bamboo pulp crushing industry is put on a sound basis, a far more extensive use of bamboo pulp is indicated. I venture to say when they make this prophecy, they seem to me to put their telescope to the blind eye. What do we find from the figures as stated in the Report of the Tariff Board? It appears that the works cost of bamboo pulp in the factory is Rs. 186 per ton, while wood pulp delivered at the mill at present costs Rs. 140 per ton. So that there is just a difference of Rs. 46 per ton between the price of wood pulp and the price of bamboo pulp. The Tariff Board thinks that if this difference is equalised and Rs. 46 is levied as duty on wood pulp, wood pulp would not be used and bamboo pulp would be exclusively employed. I venture to submit that this calculation does not seem to me to be correct. In the first place, it does not take account of the 25 per cent. surcharge on paper which has been

imposed by the Emergency Finance Act; and secondly, it does not take account of this fact that, while the price of wood pulp with the duty amounts to Rs. 186, yet the experiment of installing fresh bamboo pulp crushing machinery is so great and the risks attendant upon it so considerable that any business man would prefer to use wood pulp in spite of this duty rather than use bamboo pulp at the same price. That, I think is what an ordinary business man, who has a keen eye on business, on £ *s. d.* and not on patriotic or other considerations, would do, and nobody would blame him for doing so. I therefore think that the proposal of the Tariff Board to levy an extra duty of Rs. 45 alone on wood pulp would not be sufficient to discourage the use of wood pulp and encourage the use of bamboo pulp. I would feel inclined to suggest that the duty on wood pulp should be raised, were it not for the fact that such a rise in the duty would greatly add to the price of paper. And I feel that this is not the time for adding to the price of paper, or printed matter, or any literature of any kind. Sir, we are now on the eve of great democratic changes. The Prime Minister has held out the hope of adult suffrage for India. The Lothian Committee are working for a ten per cent. franchise and we are all aware that the electorate in India is grossly illiterate. (*Mr. B. Das*: "Question.") I maintain that the electorate in India is more or less illiterate and it is necessary that we make a beginning to educate our future masters. Can we honestly say that we are on the right way to educate our future masters, by raising the price of paper, printed matter, or newspaper literature? I think not. But with all these inconveniences, owing to the weighty words that have fallen from my Honourable friend, Diwan Bahadur T. Rangachariar, I am prepared to vote for a measure extending protection to paper provided the second desideratum which I have indicated is strictly satisfied, that is to say, Indian participation in the management of the superior branches of the industry is secured. My Honourable friend, Sir Edgar Wood, in a very weighty speech said that this was not the time to bring pressure to bear upon the companies, that the Legislature has no right to indicate to the companies what directorates they will have, how they will . . . .

Sir Edgar Wood: On a point of personal explanation, Sir, I did not say that the Legislature had no right to indicate. I said they had no right to demand. That is rather different I think.

Dr. F. X. DeSouza: Very well. He said that the Legislature had no right to demand from the companies what directorates they will employ and how they train their apprentices and so on. But I do say this, that the Legislature grants protection, and when the Legislature does so, it has a right to demand on what terms it will grant protection. Therefore, if the Legislature so wishes it, the Legislature has a right to demand Indianisation. Here there is no question of principle. The Leader of the House in his private capacity, though not, I regret to say, as Commerce Member, as well as Sir Edgar Wood expressed that it is morally indefensible in the present circumstances to exclude Indians from the management of the superior branches of the industry . . . .

The Honourable Sir George Rainy: I think the Honourable Member might be a little more careful in the phrases that he attributes to other speakers. I do not agree that he is entitled to paraphrase my speech.

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[Sir Cowasji Jehangir.]

has been called Indianisation in this House. I do not know whether that is exactly the right term.

Indianisation is demanded by Indians, but, speaking for myself and a large number of others, I always couple Indianisation with efficiency. What we demand is not Indianisation in the technical sense of the term, but opportunities for training Indians to make them efficient so that it will pay companies to employ Indians. (Hear, hear.) Now, that is a long-standing demand made by public opinion in this country. Indians themselves, when they run great industrial concerns, have had to employ Europeans. Their only objection to employing Europeans has been that it costs more than to employ Indians, and if they could find Indians capable of doing the work required, Indians would certainly employ Indians in preference to Europeans,—not because one is brown and the other is white, but because brown is cheaper in this country than white. But we are unable to do that because we are unable always to get suitable Indians to fill some of the posts which require technical knowledge, and therefore we demand that every industrial concern should make it a practice of training Indians to take the place of Englishmen, if not now and immediately, at any rate in the near future; and if every company would conscientiously and ungrudgingly carry out that principle, I feel sure that in a very short time the English companies themselves would benefit through lower costs by Indianising their staff. (Hear, hear.) Sir, if this House desires to enforce that principle when it is prepared to give assistance and material assistance to an industry, I do not think that there is anybody in this Honourable House who can complain.

Then again, Sir, with regard to the directorate. It is not a question of having 4 or 5 Indians out of 10 or 12 on the directorate; it is a question of how much Indian capital here is in the company; that is what we mean by directorate. You may not have a single Indian director, but if you have 75 per cent. Indian capital, we get what we want. And why is it that Indians want it? The answer is a simple one, well-known to every Member of the European Group; it is that, if out of the taxpayer's money protection is given to an industry, then the taxpayer in this country wants to see that the profits of that industry remain in this country; and, however long my Honourable friends of the European Group may remain in this country, probably for the better part of their lives, I think they will have to admit that the greater portion of the profits that they make in this country are taken away. (*An Honourable Member*: "What about losses?") Yes, there are losses and profits; you have to leave your losses here. Your aim and your object is to make a profit; if you make a loss, that is an accident. (Laughter.) One tries and works for profit, not for loss, but it must be admitted that a certain proportion at least of those profits will leave the country. Now, then, if these profits are made through the assistance of monies paid by the taxpayer of this country, surely this side of the House has a right to claim that a certain proportion of the capital at least should be Indian, and that it should be ensured that a certain proportion of the profits should remain in this country.

Well, Sir, these are principles which have been enunciated by yourself many years ago and which Government have accepted. It is no question of discrimination, and I would ask the Honourable House not to mix up the question of discrimination with the question of imposing certain conditions when the House desires and is anxious to protect industries. This is not

a question of discrimination; all companies will have to abide by these conditions whether they be managed by Indians or by Europeans, and when these conditions are applicable to all, it cannot be called discrimination. My Honourable friend, Sir Edgar Wood, must be fully aware of the many discussions that have already taken place over this vexed question of discrimination; and, therefore, since it is still under consideration, I would be the last person to touch upon it in this House, but speaking for myself and for a large number of Indians, and also I make bold to say for a large majority of my Honourable friends in this House, that there is no desire on the part of Indians to discriminate against Englishmen because they happen to be Englishmen. If conditions are to be laid down, they should be laid down for all, Englishmen and Indians alike. I am strongly of opinion, Mr. President, that when this Honourable House is prepared to assist an industry as handsomely and as liberally as this House is prepared to assist the paper industry today, it has every justification and every right to lay down conditions applicable to all Indians and Englishmen who may have the future of this industry in their hands.

I fully realise that it may not be practicable to move an amendment to this Bill, and it may even with some justification be resented as interfering with existing concerns. But let it not be forgotten that in a few years' time there will be a very different House to the one we have to-day and that House will refuse to give protection unless these conditions are accepted. These conditions will be applicable to both Indians and Europeans, and I do not consider them to be onerous or inequitable. I am confident that when it comes to either losing protection or getting it, the whole of the European Group will be prepared to accept those conditions because they are conditions which have been imposed by other countries on more than one occasion, and sometimes those countries form part of the British Empire. At first, when the Dominions imposed such conditions, they were resented and opposed, as these conditions were, when you, Mr. President, first suggested them years ago. We are now getting more accustomed to them, and as time goes on and we are in the same position as every other Dominion is, they will not only be not opposed but willingly accepted. Therefore, this discussion is an academic one to-day but it is as well that there should be a free ventilation of ideas, and it also relieves us to a great extent of the responsibility that we all owe to our country to see that the taxpayer's money that is now going to be used for the benefit of an industry that may happen to be in the hands of a few will in time be of the greatest advantage to the country as a whole. If we discharge that responsibility faithfully, we can conscientiously use the taxpayer's money. But in order conscientiously to discharge that duty, it is also the duty of the House to see that certain well-considered conditions are imposed.

Mr. President, I have nothing further to say except to repeat that there are very few Indians who deliberately desire to do any harm to Englishmen who have used their energy, their brains and their capital to initiate industries, commerce and trade in this country. What I personally desire is that they should long continue to remain in this country on the same conditions, on the same footing and use the same foundation, as Indians have, to build up their industries, and that they should in future claim no privileges and no unnecessary assistance. If they will consider themselves Indians as long as they remain in India, I feel confident, whatever may be the atmosphere to-day, that they will be welcomed in the future as they have been welcomed in the long past.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I did not intend to intervene in this debate but I have been compelled to do so by the provocative speech delivered by the Honourable Sir Edgar Wood. I was wondering whether, hearing him from this distance, I had not incorrectly understood him. Therefore, before rising to address you, Sir, I fortified myself by obtaining an uncorrected copy of the Honourable Member's speech to make sure that the sentences to which he has given expression were the sentences which the reporter had taken down as his. Now, Sir, there are utterances in that speech which I would like to recall for the benefit of Members of this House, not because they are utterances isolated and, therefore perhaps, of less account, but because there underlies a sentiment behind those sentences which must be conveying not only the views of the Honourable speaker but of the large community of Europeans whom he represents in this House. The Honourable speaker said: "I think Honourable Members who hold that view should be perfectly honest with themselves and say that there is a community whose interests we wish to share. Let us expropriate them if we cannot share. They should bring in an Act to expropriate the attractive commercial undertakings. I think that is what this suggestion amounts to". Now, Sir, what is the suggestion? The suggestion which has been made by Members on this side of the House is a perfectly plain and intelligible one. It does not matter whether those industries have been piloted by Europeans or Indians. But what does matter is that they are indigenous industries, nascent industries, which require to be reared up by protection. In order to protect these growing industries of the country, we want either to raise a tariff wall around them or to give them bounties. This Bill, if passed into law, would give them protection of the former kind.

But, while this House is almost unanimously of opinion that we should protect this growing industry in the country—and I am referring to the paper manufacturing industry at the present moment—we are also anxious that these indigenous industries must give scope for the display of indigenous talents. Now, is there anybody on this side of the House or on the other side of the House that can dispute this elementary fact, that if you really wish to develop indigenous industries, it is equally necessary that you must train up indigenous youths of this country, so that they may be able to man and equip these industries in the near future? The Honourable Sir Edgar Wood says in another part of his speech, and it seems to me to be astounding, so let me give you his exact words:

> "Then on this question of protective tariffs, I only want to speak about the existing concerns, because the question of new concerns does not arise today. And what I wish to do is to express a certain amount of surprise at the ethics of the Tariff Board, as disclosed in their recommendations and of those Honourable Members who signed the dissenting minute. It seems to me that really the Tariff Board and those Honourable Members have a quite immoral outlook."

Mr. B. Das: I want to repudiate that suggestion because I signed the minute of dissent.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Impotent outlook, he meant probably.

Sir Hari Singh Gour: I wish to ask the Honourable Member what really he meant by giving expression to this violent language. Does he wish to say that the Tariff Board in asking the Government of India to extend the protection which they have advocated to the rising industries of this country by giving facilities to the youths of this country to be trained up in the technical departments of those industries made an immoral demand? Or does he mean, as he later on seems to have meant, that the Europeans who come and go in this country have got some fundamental rights to stay here and make money, and then depart? I have heard this stated not only in this House but also outside, and as the question about fundamental rights is at the present moment engaging the attention of another body in another place, let me once for all prick the bubble of "fundamental rights". Sir, I have before me a reprint of the constitutions of all countries of the civilised world, and the latest constitution of the Irish Free State gives you what is meant by fundamental rights. In Article III of the Irish Free State constitution this is what the British Parliament described as the fundamental rights of a self-governing nation. It says:

> "Every person without distinction of sex domiciled in the area of the jurisdiction of the Irish Free State (Saorsta't Eireann) at the time of the coming into operation of this constitution, who was born in Ireland or either of whose parents was born in Ireland or who has been ordinarily resident in the area of the jurisdiction of the Irish Free State for not less than seven years is a citizen of the Irish Free State and shall within the limits of the jurisdiction of the Irish Free State enjoy the privileges and be subject to the obligations of such citizenship, provided that any such person, being a citizen of another state may elect not to accept the citizenship hereby conferred and the conditions governing the future acquisition and termination of citizenship to the Irish Free State shall be determined by law."

In other words, the Irish Free State constitution lays down that fundamental rights go with the acquisition of citizenship, and citizenship goes either with the right of naturalisation or the right of natural citizenship arising from birth. Do the Englishmen in this country demand fundamental rights upon a wider basis? They do. They say, "We do not wish to be citizens of this country. We do not wish to be naturalised in this country, we wish only to reside in this country and acquire the fundamental rights of a citizen, of its nationals, and when we go, we carry away from this country what we have made here". That is what the Honourable Sir Edgar Wood would call fundamental rights. Now, Sir, in the freest of free States, the United States of America, when it established its independence, in its one Article, enacted in 1791, described this as the fundamental rights of the citizen of the United States of America. It says:

> "The Congress shall make no laws respecting an establishment of religion or prohibiting the free exercise thereof or abridging the freedom of speech or of the Press or the right of the people peaceably to assemble and to petition the Government for a redress of grievances."

The bundle of rights to which any citizen is entitled . . . .

Mr. Arthur Moore (Bengal: European): Does the Honourable Member suggest that Englishmen resident in this country and enjoying the franchise are not citizens?

Sir Hari Singh Gour: I think the Honourable Member was not listening to what I was reading from the constitution of the Irish Free State. The Irish Free State defines a citizen to mean either a person whose parent or who himself was born in the Irish Free State, or who by his residence for seven years became naturalised as a citizen of that State, and the constitution of the United States of America gives to the citizen

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of the Union of America only four rights which are called the fundamental rights, the right of free speech, the freedom of the Press, the right of free association, and the right of free exercise of religion. They have nothing, known to the constitutional lawyer in the civilised countries of the world, approximating to what the Honourable Sir Edgar Wood demands on the floor of this House in all seriousness, and evidently with the approval of Mr. Arthur Moore and his colleagues, as fundamental rights.

Mr. Arthur Moore: I am only anxious to discover from the Honourable Member—I am not concerned with the Irish Free State or with the United States of America—whether the Honourable Member suggests that those who have the right of vote in this country and the right of sitting in the Legislature are not citizens.

Mr. K. Ahmed: That is another issue. That is not the subject matter of discussion.

Sir Hari Singh Gour: The Honourable Member, Mr. Arthur Moore, who is a journalist of experience, knows as well as I do, and I have no doubt that he must have studied at least the elements of constitutional history, and if he has done so, he will realise for himself that the rights of citizenship and the fundamental rights go together, and unless a man is a citizen of a State, he has got no permanent fundamental rights, though he has the right of protection so long as he has his allegiance by domicile in any particular country. I do not wish to stray into a constitutional discussion, but the few words I have spoken, I have done so because there is a widespread feeling amongst the European community, which has been voiced both in this country and in England, that because they came here and resided here as traders, they have acquired in some degree the same fundamental rights as the natural born and domiciled subjects of His Majesty in this country. And it is for that reason that I would like Sir Edgar Wood to revise his notions of what he considers to be the fundamental rights of himself and of his community.

Sir, the Tariff Board and the Fiscal Commission are both agreed upon the question we have before this House, namely, that if you wish to grant protection to any industry, that protection must be made conditional upon the right of the Indians to go and learn the technical side of that industry. In paragraph 104 of the Indian Tariff Board's Report under discussion they point out as the third condition, quoting the Indian Fiscal Commission's recommendation, that:

"Reasonable facilities should be offered for the training of Indian apprentices."

and then they added,—a question which Sir Edgar Wood very pointedly raised:

"Apart from practical considerations of administration there can in reality be no distinction in this regard between industries receiving assistance in the shape of bounties or subsidies and those which are protected by means of import duties."

It is, therefore, important from the national point of view that in the case of every industry which claims protection, this aspect of the case should be fully examined. Therefore, when we are levying protective duties, we ask Government to treat it as a condition precedent to the enactment of this measure that the concurrence of this House to the

legislative measure which it has sponsored must be understood as dependant upon the companies profiting by the protective duties freely admitting Indian apprentices for training in the skilled and technical departments of their concerns. That, Sir, is the main question, and my friend Sir Edgar Wood says that this would amount to expropriation of the companies by force. Now, Sir, I pause for breath when I see here Sir Edgar Wood giving vent to such feelings. In one breath . . . . .

Sir Edgar Wood: Sir, perhaps the Honourable Member would explain in his speech what would happen if a company refused to comply with those regulations? Would it be expropriated or would it be allowed to continue?

Sir Hari Singh Gour: I think the answer is a very simple one. What we are asking the Treasury Benches to make note of, is to make it a practice that companies, that do not receive Indian apprentices, shall not obtain Government patronage. Sir, this was settled some ten years ago when they established the Stores Department and brought it under the control of the Legislative Assembly. Here I have the Report for 1929-30, the Report of the Indian Stores Department in London, and one of their functions is to see that Indian apprentices in England receive training from firms from which the Indian Stores Department there makes purchases for the Government of India.

Sir Edgar Wood: My point was entirely different. If a company already existing refused to comply with conditions laid down, will it be subjected to expropriation or confiscation?

Sir Hari Singh Gour: My friend completely misunderstands himself and misunderstands my question. If my friend wishes to retract his statement, the proper course for him is to get up and say that he is sorry for the statement and that he never intended to make the statement to which he has inadvertently been committed. But gradually to retrace steps by interjections of this character makes his case worse, and I feel that the Honourable Member has really given vent to his real thoughts, and now when he finds himself cornered he is gradually moving out of the situation which he has created for himself.

Sir Edgar Wood: The Honourable Member does not answer my question.

Sir Hari Singh Gour: Now, Sir, let me now explain to the Honourable Members the policy of the Government of India during the last ten years, and I feel constrained to do so because the Honourable the Leader of the House has attempted to strike a discordant note in regard to the policy which I venture to submit has unquestionably been followed ever since the inauguration of the Indian Stores and English Stores Department. When the Indian and the English Stores Department was inaugurated, if the Honourable the Leader of the House will turn to the debate, he will find that from the non-official Benches there was an insistent demand that this Stores Department must be charged with the duty of training up Indians, and that whenever any purchases were made the condition should be imposed that the manufacturers should receive a certain number of Indian apprentices for training. And it is

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for that reason that you have in the Indian Stores Department a report upon the training of Indians by English manufacturers under the ægis of the London Stores Department. Every year they have to give an account of what assistance they have been able to render to the Indian students and apprentices in training them in the technological departments of the various firms from whom they make purchases. Honourable Members will find, if they turn to paragraph 14 of this Report, pages 6 and 7, that in that Report it is stated that:

"Manufacturers often regard such applications as being made on behalf of a possible competitor and refuse to grant the desired permission."

The position in England is that the English manufacturers have become increasingly alarmed at the fact that the increasing number of Indians who go to England for scientific and technical training may in the near future be serious competitors of English manufacturers, and therefore there is a reluctance to take Indian students into apprenticeship in that country. That fact is noted in the Report of the London Stores Department. If Indians are not welcomed in the English manufacturing houses and if my friend over there makes the same condition and says that he will not allow Indian apprentices except when he wishes to, what would become of the underlying policy that India must be industrialised and that her nationals must be given suitable training, so that within the shortest time possible they may be able to maintain and own their own industries? If that is the policy of the Government of India, how is to be enforced at all? We find that in England there is a growing reluctance against the admission of Indian apprentices, and if the same reluctance is voiced by the Indian manufacturer, I submit, the position of Indian apprentices would be a forlorn hope, and it is for that reason that we on this side of the House feel a growing anxiety as to what would be the future of our boys if this hostile attitude is taken up by the European manufacturers in this country and the manufacturers in the United Kingdom.

That brings me to another point; and that point is that I find in the Honourable Sir George Rainy's note a statement in which he seems, speaking for the Government of India, to go back upon what I have always understood to be the acknowledged and undoubted policy of his Government. He says:

"In that paragraph (*para. 108 of the Tariff Board's Report*) the Board has not accurately stated the settled policy of the Government of India as regards the conditions which ought to be enforced when a company receives direct financial assistance from the State. The view taken by the Government is that while conditions as to incorporation and registration in India with rupee capital, the appointment of a proportion of Indian Directors, and the provision of facilities for the training of Indian apprentices can reasonably be imposed on new companies, it is not right to impose such conditions on companies already engaged in the industry at the time the scheme of assistance is aproved."

Now, the Honourable the Finance Member would join issue not only with the Indian Tariff Board but also with the Indian Fiscal Commission's Report, which is summarised in paragraph 104, to which the Honourable the Commerce Member does not refer. If the recommendation of the Indian Fiscal Commission contained in paragraph 104 is the policy of the Government of India, I fail to understand how it is reconcilable with

the dissenting note which the Honourable Sir George Rainy has penned, presumably for his Government. But, whether it is a change of policy or reiteration of the old policy, we on this side of the House wish emphatically to protest against any discrimination made in favour of the old companies; and for the following reasons; Honourable Members will realise that when a new company is started, it has not got the same facilities for the training of Indian apprentices as an old company. A new company might well say, "We have made no profit; we have been working only for a very few years and we cannot afford to make experiments and consequently we must apply the best trained and experienced hands so long as we have not got above water". New companies, therefore, have a very justifiable reason for saying that they must pause before they employ Indian apprentices for training. But the same thing does not apply to old established companies. We are giving you protection because we want you to get on, but we do not want that you should get on and we should not get on. Honourable Members on that side of the House have often given vent to sentimentalism and said, "Let there be partnership between Britain and India". It is all right in post-prandial speeches; but brought down to the practical realities, are you going to accept the principle of partnership between Britain and India? And if you do, what facilities are you going to give to the people of India in training them up in the various businesses in which, for want of scientific and technical knowledge, they are not able to compete with foreigners from overseas? I submit that is the short question; and put in that light, the Honourable Sir Edgar Wood would say, "Oh! We never for one moment denied that Indians have got a moral claim upon us and we are quite prepared to accept apprentices. But what we object to is that apprentices, metaphorically speaking, should be forced down our throats". Well, Sir, the history of the Indian companies during the last six years has been a history of promises made and promises broken. They are recorded in the luminous pages of the Report of the Indian Tariff Board, from which my friend, Mr. Hari Raj Swarup, has given a quotation and from which my friend, Sir Cowasji Jehangir, also has told you that there is a difficulty felt in taking apprentices in the old companies. But whatever may be the fact, the fact remains that during the last six years you have not, by your voluntary act, admitted Indians to apprenticeships and there is at any rate one company . . . . .

Mr. E. Studd (Bengal: European): May I ask my Honourable friend whether he is under the impression that there are no apprentices in the paper mills at the present moment? Because if he is, he is under an erroneous impression.

Mr. B. Das: But they were taken after this House insisted.

Sir Hari Singh Gour: The Honourable Mr. Studd would do well to read paragraph 107 for an answer; it says:

"On a review of the facts stated in the foregoing paragraph we find that of the three companies in Bengal the least satisfactory record in this respect is that of the Bengal Paper Mill Company. This company has been in existence now for over forty years and during this long period appear to have made no progress whatsoever in associating Indians with the direction and superior management of the business."

(Opposition cheers.)

Mr. E. Studd: My Honourable friend has still not answered my question.

Sir Hari Singh Gour: My friend had a complete answer not from me but from the Report of the Tariff Board; and if my friend suggests that he and the companies associated with him and the other European managing agents in this country have received Indian apprentices, I would answer and say, "One swallow does not make a summer". You may have received one or two to comply with the rule; but what we want is that it should be made the practice to receive as many as possible and that is what we are complaining of . . . . .

Mr. E. Studd: Perhaps it may be of interest to the Honourable Member to know that the total number is actually fifteen.

Mr. B. Das: Since when? After you received protection.

Mr. E. Studd: No.

Mr. B. Das: Does my Honourable friend say that of the Bengal Paper Mill?

Mr. E. Studd: No; in the three mills.

Sir Hari Singh Gour: That is another story. (Opposition laughter and cheers.) We are now bringing before the public pillory companies that have habitually and steadfastly refused, during their long career of forty years, to receive Indian apprentices . . . . .

The Honourable Sir George Rainy: I am sorry to interrupt my Honourable friend; but if he will turn to paragraph 106 of the Tariff Board's Report as regards the Bengal Paper Mills, he will find the information that was asked for:

"In the Bengal Paper Mill Company the European Chemist has been displaced by an Indian; but apart from this there are no Indians in the superior management of the Mill. The Company have at present 23 men working as apprentices, 7 in the Electrical Department, 6 in the paper-making department, 10 in the engineering shops, some of whom have served for over eighteen months and are regarded by the Company as the best Indian young men they have recruited."

Sir Hari Singh Gour: Honourable Members have heard that. Let them also hear this, (Laughter.) Paragraph 107.

"We desire to emphasise that unless further progress is made in the near future they cannot be regarded as fulfilling substantially the conditions which underlie the kind of protection. . . . It will be seen,—(*that is what the Honourable the Commerce Member read*),—"that it is in the most" important sections of the mills, namely the paper-making department that no progress has so far been made."

(Applause.)

I make a present of that statement to the Honourable the Commerce Member. There is no use of mincing matters. Let us be plain. There is naturally a reluctance on the part of English manufacturers, a reluctance which they are not afraid to express, that they would not and do not wish to receive Indian apprentices, because Indian apprentices would be dangerous competitors, and I fear that what is sauce for the English goose is

equally sauce for the Titaghur and Bengal Paper Mill gander. (Laughter.) You are afraid that you who have come to make money in this country, to shake the proverbial pagoda tree, do not want that somebody else should stand underneath it and do likewise. That is the position; but I ask you to take a statesmanlike view of the near future, not of the distant future, that looms large in the horizon. As my friend Sir Cowasji Jehangir has pointed out, within a few years if not within a few months, you will be faced with a situation in which there would be no compromise. Is it not right, then, for members of your community to take time by the forelock, and, while making promises of friendliness and partnership, give earnest of their earnestness by saying, "We will welcome as many apprentices as the Government of India are able to place in our factories because we feel that you Indians have as much claim upon us as we have on the people of India". Try to do that, and you will immediately find a complete change of atmosphere. The Indian people are famous for their hospitality and gratefulness, and if you show a friendly spirit towards the people of India, believe me, that will be returned tenfold to you. But the spirit in which you have been acting, the niggardly spirit in which you have couched your phrases, when you speak of expropriation, of fundamental rights and of immoral demand, these are things that will go home to roost. The people of India will retaliate and say that your so-called demand of fundamental rights is an immoral demand unprecedented in the history of any civilized country; ("Hear, hear" from the Nationalist Benches.) the people of India will retort, you richly deserve to be expropriated looking to the policy that you have been pursuing during the last 150 years; the people of India will retort that you, who have come here as explorers and exploiters, can never be vested with citizen rights because you are inherently incapable of exercising those rights in that spirit in which a citizen should act as a member of the State. Think of that, and you will be able to see for yourself when you sit in secret conclave. . . . .

The Honourable Sir George Rainy: On a point of order, the Honourable Member should address the Chair.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Yes, the Honourable Member should address the Chair.

Sir Hari Singh Gour: When they sit in solemn conclave and reflect that mere words of wisdom are of passing interest; narrow-mindedness and selfishness may be worthy of a trader but are unworthy of a great nation. ("Hear, hear" and Applause from the Nationalist Benches.) Sir, it is on these grounds that we ask the occupants of the Treasury Benches to take note of the serious and united demand we make that Indian apprentices should be placed with all paper manufacturing companies, and that the Government of India should make their assistance by way of patronage conditional upon the acceptance by these companies of Indian apprentices for training. (Loud Applause from the Nationalist Benches.)

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, I am grateful to the Chair for giving me an opportunity to speak on this important question in which the House has been taking a keen interest. I beg to oppose this Bill, and although I am generally in favour of protection, particularly in a country where infant industries have to be developed, yet so far as the paper industry is concerned, I am not in favour of protection. Before I proceed further, I wish to place before the House for the consideration of Honourable Members certain facts and

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figures which will show that, although there may be a temporary advantage in giving protection to paper industries, I think the results are very doubtful; the drawbacks by giving protection are far greater in number than the advantages that are expected to accrue from the protection. Now, the first point which I want to submit for the consideration of European non-official Members in a cool manner and not in an excited moment is to see how far the protection that has already been given within the last 5 years has helped the country as a whole. At present, paper is sold here at Rs. 0-3-4 per pound, while in Europe we can get better class of paper for Rs. 0-2-0 per pound, which means that the paper we get in India is about 70 per cent. dearer than the same paper, or perhaps a better quality of paper can be obtained in England. Then, Sir, look at the effect which the paper industry has produced upon the publication of books, upon printing presses, periodicals and vernacular books.

An Honourable Member: Then why don't you support the Bill?

Mr. A. Das: That is the result produced in spite of this protection to the paper industry. Before protection was given, the number of printing presses for publishing books was 1,553, but during the four years that this protection has been in force, their number has dwindled down to 1,010. Now look at the periodicals; their number was 736 before these four years, and during these four years when protection has been in force, it has dwindled down to 95; again as far as vernacular books are concerned, before the four years, their number was 4,640, and now during the period of protection it has come down to 1,031. Apart from that, Sir, the prices of the books which are purchased by the school-going population has gone so high that many parents feel that they are a considerable strain on their purses.

Then, Sir, you will also see that with this state of affairs, it is no wonder that many publishing firms prefer to get their books printed in England than to print them here. In one word, I would submit that the effect of protection on paper has been, not that it has afforded protection to the particular industry but it has been a tax on knowledge. This is all the more important when you see how the population has grown in the last ten years. The Census Report would show that during the last ten years the population of the country has grown by about 10 per cent.: it can hold as many as 30 big cities like Calcutta and Bombay. With a growing population like that, you can well imagine what will be the effect on the retardation of the progress of general knowledge if paper is made dearer. That is one point from which I would like Honourable Members to judge whether the effect of protection has been good or bad.

4 P.M.

Another point from which we may judge this matter is whether the bamboo pulp industry has been really benefited. Figures have been given by the previous speakers. As compared to 1919, in the year 1930 the quantity of indigenous pulp has gone down by 8,000 tons, and the quantity of foreign pulp has gone up by 17,000 tons. You will therefore see that the result of giving this protection has been that the indigenous pulp used by the Indian mills has gone down, whereas the foreign wood pulp has gone up considerably. Another result has been that it has cost the public 2 crores of rupees. As has been pointed out by my Honourable friend, Dr. DeSouza, out of these 2 crores, a crore has gone into the pockets of the shareholders in whose name this protection Bill should be called, and out of that one crore, only Rs. 14½ lakhs have been spent on developing this bamboo pulp industry. While they make a profit of one crore, they spend only Rs. 14½ lakhs, that is one-seventh of their income in improving the paper industry. Another thing is that the amount of bamboo pulp has been decreasing while the quantity of foreign wood pulp goes up, because we find that nearly 75 per cent. of the outturn of the various mills use foreign wood pulp, and therefore it is no wonder that the quantity of foreign wood pulp has gone up to about 5 or 6 times what it was before this protection was given.

The next point which I would submit is this. Who has benefited by this? Certainly not the population, because they have lost Rs. 2½ crores. The shareholders have, with the result that two mills have been paying a dividend of 40 and 20 per cent., and a third mill which is not yet a public company—we do not know what the profits of that mill are, but they have reduced their debt to the extent of about 7 or 10 lakhs of rupees. So that the real persons who have been benefited are those few people, while the country has lost Rs. 2½ crores.

What is the effect of this protection on Indianisation? As a number of speeches has already been delivered on this important subject, I would only refer to certain pages of the Tariff Board's Report. Three points are mentioned there, one, the rupee capital, second, the directorate, and the third is the taking of Indians. The first two are not so important as the third one, and I would content myself by asking Honourable Members to go through the learned speeches of my Honourable friends Sir Hari Singh Gour and Sir Cowasji Jehangir. The Honourable the Commerce Member has drawn a distinction between the old companies and the new companies. The question whether any new companies would come into being in the near future is a very doubtful one. It is extremely doubtful whether in the present stage of depression of trade in this country any new company would be formed. Therefore, so far as practical utility is concerned, in spite of the dissentient note of as many as 14 Members in the Select Committee, the Government are not prepared to give an assurance that there would be real Indianisation. A mere pious wish of the Honourable the Commerce Member cannot go far. As far as Indianisation is concerned, there has been very little Indianisation, and there is no guarantee that it will be more in the future. From that point of view also I submit that this protection is not desirable.

I do not think that my Honourable friend Mr. Shanmukham Chetty was right when he said that the duty of Rs. 45 per ton on imported wood pulp would help protection. I submit, if you take facts and figures, either give sufficient protection, which would encourage the manufacture of bamboo pulp, or give no protection at all. In giving sufficient protection, you must take into consideration what is the present cost of wood pulp with the proposed duty as compared with bamboo pulp. The present cost of wood pulp is about Rs. 140 per ton, and with a duty of Rs. 45 it comes to Rs. 185. The present cost of bamboo pulp is Rs. 183. Surely no company with any degree of sense would try to use bamboo pulp in those circumstances, as no business man would try to lose. It was with that view that I put down an amendment that, in order to give a real impetus to the bamboo pulp industry, you must make the duty on wood pulp so high that it should not be profitable to the Indian manufacturer to manufacture paper out of wood pulp, and that could not be done unless you increase the duty to nearly 75 per cent. There is no doubt on the

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other side, as pointed out by Dr. DeSouza, that it will make the paper more dear, but that is a thing which you have to do if you want really and effectively to protect the bamboo pulp industry. Otherwise, with the present cost of wood pulp and a duty of Rs. 45, it will not pay the Indian mills to use in any appreciable quantity bamboo pulp in paper manufacture in preference to wood pulp. That is quite apparent from the fact that during the last four or five years the amount of foreign wood pulp which they have been using is more than three-fourths of the amount of indigenous pulp that they could make.

Then, it was said that this is an experimental stage. I do not know how long the experimental stage is going to last. We have had it for about 4 years. They had been experimenting even before the last 4 years, and there is no guarantee that in another 4 or 5 years the experimental stage would come to an end.

Again, this fact has also to be borne in mind that, so far as the bamboo pulp industry is concerned, it will not help the Bombay side at all, because we do not have any bamboos which could be used as wood pulp on the Bombay side.

These are all the objections which I wished to raise. If you have this protection, it will tax education, it will tax publications, and the advantages compared with the disadvantages are not sufficient to give this protection to paper.

Now the next and the last point to which I desire to refer is the recommendation of the Select Committee to increase the percentage of wood fibre from 65 to 70. The Tariff Board's Report is silent on that point, and the members of the Select Committee have said in their note of dissent:

"During the course of our discussion we objected to the raising of percentage of mechanical wood pulp in printing paper from 65 to 75 per cent. of the fibre content, as we believed that it might handicap the newspaper industry. We were however, assured by the Government spokesmen that it was being done only for administrative convenience and that the newspaper industry will not be affected and there will be no extra tax on it. In view of this assurance we agreed."

I do not know where this assurance is, because those newspapers which have to deal with newspaper print say that if this is increased from 65 to 70, it would mean that a larger quantity of cheap newspaper will be liable to tax, more than what is at present. Then there is this fact also, that so far as Bengal is concerned great difficulty is felt by the Customs as to how far a certain paper contains a certain percentage of wood pulp. That is always a matter of difficulty. In this connection I wish to invite the attention of the House to the fact that there are certain expert firms who have devised methods for doing it. One method is known as the Spence and Krauss method. Then the other is known as Cross and Bevan, and the third is the microscopic test. So far as all these methods are concerned, they leave a margin of 10 per cent. and therefore this matter should be settled either by executive authority, or by directions in the Act as to how this question is to be determined, whether a paper contains more or less than 70 per cent. or 45 per cent. because otherwise the Customs authorities are very much inclined to include all that paper which does not contain even that quantity of wood pulp as liable to customs duty, and that is a legitimate grievance which the persons who publish newspapers are entitled to ask the Government to redress. Whether the Bill is passed into law or not it certainly should not have the effect of increasing the cost of newspaper print which is already so high. Otherwise it will materially affect the general education and national growth in this country. For these reasons I oppose the Bill.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): I am in general agreement with what has been said in this House by the previous speakers about the necessity of securing education in technology in industrial concerns for apprentices and therefore I need not go over the same ground again. What I would point out to this House is the attitude of Government all these years. Protection has been given to the paper industry by levying a tariff for about seven years, and we see what the results are. It was said that the bamboo paper pulp was going to be encouraged, and we find that, instead of giving encouragement to that industry, the outturn of bamboo pulp has actually decreased.

The Honourable Sir George Rainy: I must correct my Honourable friend. I think what he means is the total output of indigenous pulp, including not only bamboo pulp, but also grass.

Mr. B. V. Jadhav: But the supply of grass is not unlimited. As far as the material for paper making is concerned, India will have to depend upon bamboo pulp more or less and therefore it is necessary in the interest of the paper industry to encourage the manufacture of bamboo pulp. If Government really intended to give encouragement to that industry, then the best course would have been to give a bounty per ton of the bamboo pulp made; but Government never thought of it and they merely contented themselves with pious wishes that the industry would be encouraged. Government know very well that this side of the House is very sentimental on the subject of protection as this House is very eager to protect Indian industries by consenting to levying protective duties, and Government have been all along exploiting this sentiment. Whenever they want more money and wish to raise it by additional taxation, they come forward with a scheme for protecting some industry or other, and in this way they secure the consent of this side of the House and they raise the required amount of money. But whenever any proposal is made to give any bounty or to spend money on research and such thing they are always unwilling, and bring forward the excuse that the Finance Member will not support any such idea. The paper industry is a very important industry and this country has been bearing this heavy burden of taxation with the sole idea that the industry should be encouraged and India should not have to depend upon the products of other countries for the paper that she uses. I am afraid, Sir, that the hope of making India free in this respect is a very distant one, and we do not know how many crores we shall have to pay in taxation in order to see this goal in sight. At present it is not even in sight. I did not think it any good to write a dissenting minute, because I myself have been obsessed by the sentiment that this paper industry ought to be encouraged, and therefore I have not written a minute of dissent or asked for anything else because I knew that my friends were doing it and I was in general agreement with them.

[Mr. B. V. Jadhav.]

As regards the contention that has been brought forward in this House that the raising of the proportion of mechanical pulp from 65 to 70 will act injuriously on the newspapers, I have only to say that I do not subscribe to that view. It was fully explained by the Honourable the Commerce Member in the Select Committee that a margin of 5 per cent. was allowed and therefore the importers of newspaper paper were taking advantage of that concession and indenting for paper which contained less than 65 per cent. of mechanical pulp, and therefore with a larger proportion of chemical pulp; and in this way they imported free of duty superior kinds of paper which competed with the paper manufactured in this country. In order to take away this unfair advantage, the proportion of 65 has been raised to 70. So according to the previous plan, 5 per cent will be allowed by the Customs authorities and there will be no real hardship upon the newspapers that are using cheap paper. They will get their paper without any duty at all, and therefore in that respect I support the proposal that the proportion of 65 should be raised to 70. But I hope the Government will take a lesson from the debate that has been carried on up to this time and will see that proper steps are taken to meet the wishes of this country. Sir, India wants to be an industrial country, and not merely to be a producer of raw materials, and therefore we want to have our industries encouraged and developed. At the same time we insist that such industries should use indigenous materials as far as possible, and that our indigenous talent and indigenous capital should be employed for the development of these industries.

Mr. Nabakumar Sing Dudhoria (Calcutta Suburbs: Non-Muhammadan Urban): I am thankful to the Chair for giving me another opportunity to speak on this subject. Last time when I spoke on this very subject, I quoted a few facts and figures from the papers that were entirely opposed to the proposed protection. To-day I propose to place before the House some fresh facts which I have collected from the papers which the paper manufacturing companies have *themselves* placed in our hands, and will show therefrom that what I said on the last occasion is amply corroborated on their own showing. I do not dispute, Sir, for a moment the immense possibilities in this country of bamboo pulp in paper-making. But what I want to impress upon the House is that the Indian paper mills, to which the protection was conceded, have entirely misused the benefits of the protection afforded to them, by so far delaying matters and by not fulfilling all the conditions, such as Indianisation of the controlling and supervising staffs, expected from them when protection was first granted. In this connection I beg to point out that the External Capital Committee, embodying the main principles of protection as have been laid down by the Indian Fiscal Commission, said this:

"When Government grant particular concessions to the industry of which that undertaking forms part, they should exercise such control over the undertaking as will ensure that the benefits of the concessions accrue primarily to the Country."

Next, Sir, a close analysis of the Report furnished by the Indian Paper Mills further manifests that they have not the inclination yet to discharge fully their obligations in the matter. With your permission, Sir, I shall read from the booklet entitled "The Appeal for Protection by the Indian Paper Industry", supplied to us by the paper manufacturing companies

benefited by the protection, some extracts in corroboration of my points. Sir, on page 19 of the appendix to this pamphlet this is what the Andhra Paper Mills Company, Limited, Rajamundry, say:

"The Company manufactures writing and wrapping paper from Bamboo, Elephant grass, etc., having commenced regular and economical manufacture in 1930."

Then the Bengal Paper Mill Co., Ltd., Calcutta, say:

"During the last two years the Company has been experimenting in the manufacture of Bamboo pulp. Arrangements are being made to extend their Bamboo pulp plant considerably in the near future."

Then the Deccan Paper Mills, Co., Ltd., Poona and Bombay, say:

"Extensive alterations and additions are under contemplation, which, it is hoped, will add to the productive capacity of the Mills."

Then the Indian Paper Pulp Co., Ltd., Calcutta, say:

"It has always been the intention to make the Company a public one inviting participation from Indian Share holders and Directors, but the financial difficulties it has encountered have hitherto made this impossible."

Then the Punalur Paper Mills, Ltd., Travancore, say:

"Plans are in contemplation for increasing the water power available or for supplementing it by an independent steam-driven unit."

Then the Titaghur Paper Mills Co., Ltd., Calcutta, say:

"Means for the renewal of plant were provided by an issue of Preference Shares in 1928 but the voting power belongs almost entirely to the Ordinary Share capital. Further digesting and preparing plant is now in course of being installed for the further utilisation of Bamboo."

Sir, I will now quote a few lines from a circular letter, dated 21st January last, sent by these mills:

"The mills are using as much Sabai grass as before the War but all new machinery and plant has to be designed to suit bamboo as well as grass."

They again say this:

"Until the mills are fully equipped with the new kinds of machinery required, they are obliged to use a substantial proportion of ready-made pulp which can only be obtained from abroad."

Sir, I also fail to understand why the Government have chosen to go back upon the recommendations of their own experts—The Tariff Board—in some very important points affecting this matter. I also beg to submit that the paper mills have entirely failed to come up to our expectations as a result of the protection granted to them during the last seven years. The House will not, therefore, be justified to continue for another seven years the protection to the paper industry at the expense of the Indian tax-payers and the vast body of consumers. The protection period should be limited in the present circumstances, and the indigenous paper industry should rather be left to itself to grow and develop by itself, as it cannot any longer be said to be either a nascent or a struggling industry. The industry has already received sufficient support and sustenance from the State to raise up its head.

[Mr. Nabakumar Sing Dudhoria.]

Again, Sir, there has been serious disagreement among the members of the Select Committee in important details with regard to the vital question of the period of protection, which fact should not be lost sight of at all.

Finally, I shall summarise the results achieved by the protection. They are:

(1) The paper industry was protected to encourage the use of indigenous raw material, principally bamboo.

(2) In six years only 2,000 tons additional bamboo pulp has been made.

(3) The Indian public has been compelled to pay approximately two crores of rupees extra to produce these 2,000 tons.

(4) The Indian Mills have received approximately one crore more than they would have realised without protection but have only spent about 14½ lakhs in plant for developing bamboo pulp.

(5) India produces about 30,000 tons of protected paper per annum but only produces one quarter of the necessary pulp as over 22,500 tons or three-fourths of the entire quantity is imported.

(6) In 1919/20 the Indian Mills produced approximately 25,500 tons of indigenous pulp and imported 5,500 tons of foreign pulp.

(7) In 1930/31 the Indian Mills produced only 17,000 tons of indigenous pulp but imported 22,700 tons of foreign pulp.

(8) And as a result a paper which sells at about two annas a pound or less in Europe costs three annas, four pies a pound in India.

In these circumstances, I would propose that, in the event of the House deciding to grant the protection, it should be for two to five years for the present, with a view to keep the paper mills on a sort of probation for the period. After that period, on a proper investigation of the whole situation, if they are either found to fulfil or show an inclination to fulfil all their obligations in the matter, we shall be justified in extending it for a further period of 5 years.

With these words, Sir, I oppose the Bill.

Some Honourable Members: I move that the question be now put.

Mr. President: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Sir George Rainy: Sir, I have listened with the greatest interest to the debate which we have had on this question, and in certain circumstances I might have felt disposed to reply at some length. But I have to bear in mind two facts. One is that the criticism of the view I take on a particular point comes from a quarter of the House which supports the Bill, and in these circumstances I do not feel under the same

obligation to attack my supporters as I might feel to attack my opponents. The other point, which is a much more serious point, is this. This question of the Indianisation of the paper industry impinges on a very large and important question which has been before the Round Table Conference, namely, the question of commercial discrimination. If I were to start to argue that question at length, I should be apprehensive of saying something which might prejudice more important discussions elsewhere. For that reason I have up till now—and I think I must adhere to that plan—confined myself to defining the attitude of Government without explaining at length all the reasons underlying it and also the reasons why Government had felt compelled to take up that line. All I can do is to touch on one or two points and to give certain information that I think may be helpful to the House.

At the beginning of the debate my Honourable friend Mr. Das referred darkly to some terrible mandate of the British Government which had driven me away from my natural inclination, and later on my Honourable friend Diwan Bahadur Rangachariar asked me why I drew a distinction between the Government Member and the individual? My reply is that in this case the Government Member and the individual agree. I do not withdraw anything that I said about the obligation which in my view rests on companies receiving protection in India to meet reasonable demands on the part of Indians. But on the question whether compulsory powers should be exercised by Government to bring about that Indianisation, my own personal reason for objecting to it is that I consider it unjust. I am anxious to clear up any misconception there may be on this point and I will ask the House to accept my statement. It is not a question of a mandate from anybody. As far as I am concerned, I have frankly stated my opinion.

Another point that my Honourable friend Mr. Das mentioned did surprise me a little. He said that he did not regard the employment of Indian workmen as any benefit to the country. If he had said that it was not the whole of the benefit that he thought industrial firms ought to bestow upon the country, I could have understood it. But surely it is going a little too far to say that it is no benefit. I do not see my friend Mr. Joshi in the House, but I have always understood that the employment of Indian labourers is a matter of very distinct importance to the country. Possibly my Honourable friend was merely led astray by slight impetuosity in debate. My Honourable friend Mr. Mitra asked whether bamboo pulp had yet passed beyond the experimental stage and he wanted an assurance, and apparently he was indifferent whether it came from me or whether it came from the Members of the European Group. I was greatly flattered by his willingness to accept any certificate that I might give as a sufficient justification for his vote. But an unworthy suspicion crossed my mind and that was whether my Honourable friend had really read the Tariff Board's Report on the point.

Mr. S. C. Mitra: I have read it.

The Honourable Sir George Rainy: I have no independent source of information other than the Tariff Board's Report. A perusal of that Report will show that the Board was satisfied that the remaining difficulties were minor difficulties which would certainly be overcome, and Government thought that they were justified in accepting that conclusion.

[Sir George Rainy.]

That really answers the point taken later on by another speaker in which he asked very much the same kind of question. He asked how long this experimental stage was to go on? In the opinion of the Tariff Board and in our opinion the experimental stage proper is already over; the main difficulties have been overcome and it is therefore possible to proceed on the basis that the claim to protection has been established. My Honourable friend, Dr. DeSouza, who is one of the Members of the House who are doubtful about the whole scheme, expressed the view that the duty on imported wood pulp would not bring about the effect which the Tariff Board and the Government thought it would produce. He said that unless a higher duty was imposed, the sensible business man would continue to buy imported pulp and would not use bamboo pulp. Evidently paper manufacturers do not think so, or they would not be so anxious to have the graduated scale of duty. Apart from that, it is a matter which is emphatically for the Tariff Board, and therefore its opinion is entitled to great respect. I may also point out that my Honourable friend's argument that no difference was made by the surcharge on paper seems to me fallacious. It does not matter at what price you sell your paper or whether you are going to get a high price or a low price, the business-like manufacturer will wish to produce his paper at the lowest cost. The whole question about the amount of the duty on bamboo pulp is this—is it sufficient to make bamboo pulp the cheaper alternative?

The next point that I wish to take up is the one raised by my Honourable friend, Mr. A. Das, and I think figures similar to those which he quoted were also quoted by other speakers. He said that the total amount which the Indian manufacturer had been able to collect out of the protective duty was two crores of rupees. I think on that point there must be some misunderstanding. If Honourable Members will turn to page 27 of the Tariff Board's Report, in paragraph 23, they will see that the output of the mills during the five years was 158,000 tons. The difference between the 15 per cent. revenue duty and the protective duty of Rs. 140 a ton is about Rs. 50 a ton. And if you multiply 50 by 158,000, the result will be about 80 lakhs. That is the highest you can put it. Of course, since 31st March last the difference between the revenue duty and the protective duty has been narrowed owing to the increase in the *ad valorem* rate.

My Honourable friend Mr. Jadhav suggested that there had been an absolute reduction in the quantity of bamboo pulp used. What is true is that the percentage of the paper made in India represented by imported pulp has gone up, and therefore the portion represented by indigenous material must have gone down. That I quite admit. But it is not the case that the total quantity of bamboo pulp used is less than it was 5 or 6 years ago. On the contrary, it is very nearly twice as great. The point rather is that while the quantity of Indian materials used has not increased in the same proportion as the quantity of paper manufactured, actually the total quantity of Indian materials used is greater.

What I should like to say in conclusion is this. I have been impressed by all that has been said by Honourable Members opposite on this question of Indianisation. I realise how deeply they feel about it, and I am not blind to the force of the arguments they bring forward. But, nevertheless the fact remains that Government do not see their way to accept the contention advanced by my Honourable friend Sir Cowasji Jehangir that

to apply the conditions suggested by the Fiscal Commission compulsorily to companies already engaged in the industry is not discrimination. I do not want to argue the point, but like my Honourable friends in the European Group we are not at present able to accept that contention. For that reason, I cannot go further than I have already gone on that particular point. I cannot, for instance, give any fresh assurances such as my Honourable friends opposite would desire to receive. I have given my own opinion that as a matter of business prudence and good feeling the mills should push on with Indianisation, but I cannot give any undertaking that Government will use compulsory methods to bring about the changes desired. I certainly hope and believe that this discussion will have a definite effect upon the attitude of the mills.

There is one other point I should just like to mention out of courtesy to my Honourable friend Mr. Rangachariar who raised it. When I said that I could not accept the conclusion that the placing of an order for Government stores with a particular firm necessarily involved any concession, what I had in my mind was this. Under the existing Store Rules, as Honourable Members are no doubt aware, Government, and certain authorities to whom Government may delegate powers, are entitled in suitable cases to give preference to manufacturers in India when the question of orders comes up; that is they do not necessarily give the order to the lowest tenderer. They may in certain circumstances give the order to a firm in India even though their price is not the lowest. In that case I admit that there is a definite concession. I quite see that. There would be nothing inconsistent with the general policy of Government if conditions as to Indianisation were insisted on before any price concession is allowed to a firm not already engaged in the industry. But when the order is given to the lowest tenderer, and when we remember that the whole basis of the Stores purchase policy is economy and obtaining the best value at the lowest cost, it seems to me very difficult to say that there is any definite concession to the firm which receives the order. At any rate, I wished to explain exactly what was in my mind on that question, because in the effort to keep my minute of dissent short, I may have failed to make my meaning clear.

In conclusion I should like to notice one point taken by my Honourable friend the Leader of the Nationalist Party. Early in the debate Mr. Raju thought he had found traces of a change in the policy of the Government between 1922 and 1924, and he based this theory on the assumption that Government had committed itself to an approval of every recommendation in the Report of the Fiscal Commission. Government have always attached the highest value to the recommendations of that body, but I do not know that Government have ever said anything which would warrant the assumption that they accepted and were committed to each and every one of the recommendations of the Commission. I believe I am right in saying that it was not until 1924, when the Steel Industry Protection Act came up for consideration, that Government found it necessary to define its attitude on that particular point. Therefore, I do not think there is any change of Government policy there . . . . .

Sir Cowasji Jehangir: What about Sir Atul Chatterjee's statement in the House?

The Honourable Sir George Rainy: That was earlier than the Report of the Fiscal Commission.

Sir Cowasji Jehangir: Well, that stands.

The Honourable Sir George Rainy: The Fiscal Commission itself quoted his statement.

Sir Cowasji Jehangir: Is it different from the Government policy?

The Honourable Sir George Rainy: If my Honourable friend means that Sir Atul Chatterjee's speech does not contain the qualifications contained in the Steel Protection Act or in the External Capital Committee's Report, he is perfectly right. But I have never been able to trace that there was in fact any change in the attitude of Government. I am quite sure that my Honourable friend the Leader of the Nationalist Party was under some misapprehension when he suggested that there had been any change of Government's policy since then. He took part himself as a Member of this House in the discussion on the Steel Industry Protection Bill in 1924, and he must remember what the line taken by Sir Charles Innes and Sir Basil Blackett at that time was. Therefore, the line I have taken in my minute of dissent is not anything new, but is merely an adherence to what for some years past has been the settled policy of Government. And for the reason I gave in my opening speech in introducing this Bill, namely, quite apart from anything else, at a time when the constitutional discussions are going on, it is out of question for Government to reconsider their policy, and Government must adhere to that policy now. (Applause.)

Mr. President: The question is:

"That the Bill further to amend the law relating to the fostering and development of the bamboo paper industry in British India, as reported by the Select Committee be taken into consideration."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 24th February, 1932.

LEGISLATIVE ASSEMBLY.

Wednesday, 24th February, 1932.

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

QUESTIONS AND ANSWERS.

THE GOVERNMENT SCHOOL FOR DISABLED SOLDIERS AT LAHORE.

501. ***Bhai Parma Nand:** Will Government be pleased to state:

(*a*) whether it is a fact that the Government school for the disabled soldiers at Lahore has been training wounded soldiers for suitable occupations;

(*b*) whether it is a fact that this institution has been carried on at a cost of only rupees twenty thousand a year?

(*c*) whether this school has not only taught useful occupations to the Punjabis who served in the Great War but has received such men from all provinces?

(*d*) whether they are aware that the rumours of bringing this school under retrenchment have caused much discontent and disappointment among the class of soldiers concerned; and

(*e*) whether they have received any representation on the subject and whether they have come to any decision in the matter, and if so, what the decision is?

The Honourable Sir Joseph Bhore: (*a*), (*b*) and (*c*). The attention of the Honourable Member is invited to page 139 of Part II of the *interim* Report of the General Purposes Sub-Committee of the Retrenchment Advisory Committee containing information and the observations of the Committee regarding this Institute.

(*d*) Government are not aware of any discontent or disappointment among soldiers disabled in the War. The great majority of soldiers who were disabled in the War and desired to be trained at the Institute must have received their training long ago.

(*e*) Some representations have been received by the military authorities. Owing to financial stringency, there is little likelihood of funds being available for the Institute.

ALLEGATIONS REGARDING OFFICERS ON SPECIAL DUTY.

502. ***Dr. Ziauddin Ahmad** (on behalf of Mr. Muhammad Muazzam Sahib Bahadur): (*a*) Has the attention of Government been drawn to an article "Officers on special duty" published in the *Pilot*, Lahore, dated November 10th, 1931?

(*b*) If the reply to part (*a*) is in the affirmative, will Government be pleased to state whether the allegations contained therein are correct?

Sir Alan Parsons: (*a*) Government have seen the article referred to.

(*b*) Government are not aware that there is any foundation in fact for the allegations.

EMPLOYMENT WHILE ON LEAVE OF COLONEL HALLAND, SENIOR SUPERINTENDENT OF POLICE, DELHI.

508. ***Mr. Goswami M. R. Puri** (on behalf of Mr. T. N. Ramakrishna Reddi): (*a*) Is it a fact that Colonel G. H. R. Halland, lately Senior Superintendent of Police, Delhi, was granted leave for three months *ex*-India from the middle of May, 1931?

(*b*) Has this leave after expiry been extended by another two years?

(*c*) Is it a fact that he has secured an appointment in England as Constable in the British Police? If so, from what date?

(*d*) Will Government please also state:

(i) how much leave was due to him;

(ii) whether Mr. Halland was trying for an appointment in England with the knowledge of the Punjab Government;

(iii) what is the nature of the extended leave;

(iv) how much service has Colonel Halland got to his credit;

(v) whether there is any provision in the Civil Service Regulations to prevent or allow any Government official when on leave to accept another appointment in any other country;

(vi) whether this two years' leave has been granted to Colonel Halland to qualify him for his full pension; and

(vii) whether Government propose to cancel this leave in view of the present financial stringency?

The Honourable Sir James Crerar: (*a*) and (*b*). Yes.

(*c*) Colonel Halland has been appointed Chief Constable of Lincolnshire. The Government of India do not know when he joined this appointment.

(*d*) (i) Two years and four months.

(ii) Government of India have no information.

(iii) Leave on half average pay.

(iv) Colonel Halland was in his 23rd year of service when he went on leave.

(v) A reference is invited to Article 200 of the Civil Service Regulations.

(vi) No. The leave granted does not affect the amount of his pension.

(vii) No.

MAINTENANCE OF COMMUNAL PROPORTIONS IN DEPARTMENTS IN CONNECTION WITH RETRENCHMENT.

504. ***Lieut.-Colonel Sir Henry Gidney:** (*a*) Will Government please state whether retrenchment in the various Departments of the Government of India has been carried out in accordance with the Finance Department Office Memorandum No. F.-78-XI-Ex. I/31 of 3rd August, 1931, with particular reference to the maintenance in each grade of appointments of the proportion between the various communities before and after retrenchment?

(*b*) Will Government please place on the table a statement showing the number of appointments held in each grade of the various Departments of the Government of India by members of the various communities before and after retrenchment?

The Honourable Sir James Crerar: (*a*) Government have no reason to suppose that the orders contained in the circular referred to are not being substantially observed by Departments.

(*b*) The information asked for is being collected and will be placed on the table when complete.

Lieut.-Colonel Sir Henry Gidney: Will the Government of India be prepared to inquire into any such cases that I may be prepared to place before them?

The Honourable Sir James Crerar: I think when the Honourable and gallant gentleman has the figures before him he will be able to examine for himself the precise effect of the retrenchment.

PAYMENT OF PENSIONS OF MEMBERS OF THE INDIAN MEDICAL DEPARTMENT IN RUPEES OR POUNDS.

505. ***Lieut.-Colonel Sir Henry Gidney:** (*a*) Will Government please state whether it is a fact that the pensions of the members of the Indian Medical Department who joined the Department before the 20th December, 1921, till they were revised in 1927, were available, if drawn in India, in rupees and if drawn outside India where the rupee was not legal tender in an equivalent number of pounds, *vide* A. I. I 416 of 1924?

(*b*) Will Government please state the reasons for the discontinuance of this practice in A. I. I. No. B.-27 of 1928?

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

(*b*) In 1927-28 the rates of pension were very considerably increased, as will be evident from the following figures. I take the maximum in each case:

	Rs.		Rs.
Major's pension from	360	per mensem to	500
Captain's ,, ,, . . .	300	,, ,,	,, 420
Lieutenant's pension from . .	240	,, ,,	,, 380
Assistant Surgeon, 1st class, pension from	190	,, ,,	,, 300

In view of the extent of the increases, and of the fact that Assistant Surgeons of the Indian Medical Department are recruited in India from the domiciled community, and may therefore be expected, in the great majority of cases, to settle in India on retirement, it was not considered necessary to retain the concession of converting the pensions, if drawn outside India, into sterling at 1*s*. 8*d*. The new pensions are therefore convertible at the current rate of exchange, which has been 1*s*. 6*d*. since they were introduced.

Mr. G. M. Young: I do not think that the facts are as suggested by the Honourable Member. I have said in answer to the main question that, as far as military pensions are concerned, the only exception to conversion at the current rate of exchange is that referred to in my answer to part (*a*) of the question.

Lieut.-Colonel Sir Henry Gidney: Does the Honourable Member repudiate the authenticity of Army Instructions, India, No. 416 of 1924, which specifically states that sterling rates of pension are admissible to I. M. D. officers who joined the department before 1921?

Mr. G. M. Young: I do not repudiate Army Instructions, principally for the reasons that I issue them myself.

Lieut.-Colonel Sir Henry Gidney: If the Honourable Member does not repudiate it, will he be good enough to see that that order is carried out for those who joined the I. M. D. before 20th December, 1921?

Mr. G. M. Young: It is being carried out.

Lieut.-Colonel Sir Henry Gidney: How is this possible? It is not being carried out. The Honourable Member has just now stated that he does not see any difference between my question and his answer. I have pointed out that there is a difference, and now the Honourable Member says the order is being carried out when he knows it is not being carried out. Will the Honourable Member please inquire into the matter and see that those men, who joined the department before 1921 who are entitled to the Army Order privilege, do get their pensions at sterling rates if they reside out of India instead of being dealt with in this unjust and arbitrary manner?

Mr. President: Is that a supplementary question?

Lieut.-Colonel Sir Henry Gidney: Yes, Sir, but let me put it in another way. Will the Honourable Member be pleased to carry out Army Instruction No. 416 of 1924 regarding sterling rates of pension to the I. M. D. who joined prior to 20th December, 1921.

Mr. President: Does the Honourable Member seriously think that that is a supplementary question?

Lieut.-Colonel Sir Henry Gidney: I will ask it in another form. Will the Honourable Member please see that the order is carried out and not seek protection from an increase in pension? The matter does not question the increase of pension but the sterling rates as sanctioned by A. I. I. No. 416.

Mr. President: Order, order.

Lieut.-Colonel Sir Henry Gidney: Why can't the Honourable Member reply to this simple question?

Dr. Ziauddin Ahmad: Sir, about this rate of exchange, when the rate has been fixed by the Government of India at 1*s.* 6*d.* why is the exchange of 1*s.* 9*d.* allowed?

Mr. G. M. Young: I do not know about that.

CONTRACTS FOR BOOKSTALLS ON THE SOUTH INDIAN AND MADRAS AND SOUTHERN MAHRATTA RAILWAYS.

508. ***Mr. Goswami M. R. Puri:** (*a*) Has the attention of Government been drawn to an article entitled "Bookstall Contract" at page 310 of the *Indian Railway Magazine* in its issue of December, 1931?

(*b*) What is the rent paid by Messrs. Higginbothams for their lease of the station platforms on the South Indian and Madras and Southern Mahratta Railways?

(*c*) When were these rates fixed and were any tenders called for before fixing these rates?

(*d*) When do the existing contracts expire and do Government propose to instruct the respective Administrations to call for tenders before renewing their contracts? If not, why not?

Sir Alan Parsons: (*a*) Yes.

(*b*), (*c*) and (*d*). Government have no information. The matter is one within the competence of the South Indian and Madras and Southern Mahratta Railway Administrations to deal with, and I propose sending to the Agents of these railways a copy of the Honourable Member's question and of my reply for such action as they consider necessary.

Mr. Lalchand Navalrai: Will the Honourable Member be pleased to say when this contract closes?

Sir Alan Parsons: I have not the slightest idea; the matter is entirely in the hands, in this particular case, of the South Indian and Madras and Southern Mahratta Railway Companies.

CONTRACT FOR CLOTHING ENTRUSTED TO MESSRS. HOE & CO.

509. ***Mr. Goswami M. R. Puri:** (*a*) Has the attention of Government been drawn to an article entitled "Clothing Contract" at page 310 of the *Indian Railway Magazine* in its issue of December, 1931?

(*b*) Is it a fact that a professional firm of dress-makers was deprived of its contract and that the contract was entrusted to Messrs. Hoe & Co. recently?

(*c*) Is it not a fact that Messrs. Hoe & Co. are only a firm of printers and stationers?

(*d*) Are Government aware that the quality and make of the clothing supplied by Messrs. Hoe & Co., has caused great dissatisfaction among the subordinate staff?

(*e*) Are Government prepared to direct that clothing contracts should be entrusted in future to people who deal in the line? If not, why not?

Sir Alan Parsons: With your permission, Sir, I propose to answer questions Nos. 509 and 511 together. The placing of the contracts mentioned in them is entirely a matter for the South Indian Railway Company with whose discretion in the matter the Government are not prepared to interfere.

Mr. Lalchand Navalrai: Will the Honourable Member be pleased to say if the Government cannot interfere? Is not the company under the jurisdiction of the Government?

Sir Alan Parsons: The Government have no right whatsoever to interfere in the placing of these contracts.

Dr. Ziauddin Ahmad: Do I understand that in case of bad management or mismanagement of these Company-managed Railways the Government have no authority to interfere?

Sir Alan Parsons: No, Sir. If the Honourable Member had himself read the article referred to in this question, he would have observed that it states that the particular contract mentioned had been placed with the lowest tenderer. There is no ground therefore for any interference by Government with the placing of this contract because the financial interests of Government have been sufficiently safeguarded.

Dr. Ziauddin Ahmad: My point was this: in the case of these State Railways managed by the Companies, are we or are we not authorised to ask questions in the Assembly about any matter concerning public interests? That was really my question.

Sir Alan Parsons: It was not the question as I understood it. Of course the Honourable Member is entitled, subject to your admitting the questions, Sir, to ask any questions he likes.

Dr. Ziauddin Ahmad: In this particular case some Members of the Assembly believe that this contract was given at a very high rate resulting in losses of public funds and therefore we think this inquiry ought to be made.

Sir Alan Parsons: If I may say so, the Honourable Member is entirely mistaken. I have got the article in the magazine with me here: he cannot have read it and I do not suppose he would wish me to read it here: but what it states is that in place of the contract for clothing having been given to a European firm at Ootacamund, this particular firm had got it because it had given the lowest tender. The Honourable Member who put the question had no reason to doubt that that was not the case: it is not a case of the lowest tender not having been accepted but actually of a choice between two rival firms.

Mr. Lalchand Navalrai: Will the Honourable Member tell us whether this company has a monopoly of the contracts and if so will he interfere or not?

Sir Alan Parsons: So far from the company having had a monopoly, I think this contract has only just been placed with them.

Diwan Bahadur T. Rangachariar: May I ask whether the Honourable Member knows that Messrs. Hoe & Co. are a purely Indian firm?

Sir Alan Parsons: I have not the slightest idea.

MONTHLY RAILWAY TIME TABLE ISSUED BY THE SOUTH INDIAN RAILWAY.

510. ***Mr. Goswami M. R. Puri:** (*a*) Are Government aware that the South Indian Railway issue a monthly time table?

(*b*) What is the amount paid to Messrs. Hoe & Co. for the printing of these monthly time tables?

(*c*) Are Government aware that altering timings every month causes great hardship to the travelling public?

(*d*) Are Government aware that until recently time tables were printed only every quarter and that minor monthly alterations were issued only in the form of correction slips?

(*e*) In view of the strict need for economy, do Government propose to direct that the printing of the monthly time tables be discontinued? If not, why not?

Sir Alan Parsons: (*a*) Yes.

(*b*) Government have no information.

(*c*) Not if due notice is given of the alterations made.

(*d*) The South Indian Railway's Time Table and Guide continues to be printed every quarter, but Government have not been receiving correction slips to this publication.

(*e*) I will bring the Honourable Member's question to the notice of the Agent of the South Indian Railway for such action as he may consider necessary.

Mr. Lalchand Navalrai: When the Government have got no information on a particular matter, will the Government inquire and give information or will they always give a reply like this?

Sir Alan Parsons: I do not think the Honourable Member who put the question was anxious to know what amount is actually paid to this company monthly.

Dr. Ziauddin Ahmad: Has the attention of the Government been drawn to the fact that certain Divisional Superintendents change the time table practically every month to the very great inconvenience of the passengers? And is this not really the result of the fact that these Superintendents have nothing to do and they simply while away their time by playing about with the time tables every now and then?

Sir Alan Parsons: I submit, Sir, that the action of Divisional Superintendents, presumably on the North Western, East Indian or Great Indian Peninsula Railways, has very little to do with the placing of contracts for time tables in Madras.

Dr. Ziauddin Ahmad: I submit, Sir, it arises in connection with part (*c*) of the question about the change of timings every month. I could give many instances in which this has been done.

Mr. President: The Honourable Member should only ask a supplementary question.

Dr. Ziauddin Ahmad: The Honourable Member said that my supplementary question does not arise out of the question before the House; and I replied that it arises out of part (*c*) of the question No. 510.

SOUTH INDIAN RAILWAY PRINTING CONTRACT WITH MESSRS. HOE AND CO.

†511. ***Mr. Goswami M. R. Puri:** With reference to the printing contract of Messrs. Hoe and Co. with the South Indian Railway will Government be pleased to state:

(*a*) the amount annually paid to Messrs. Hoe & Co. on account of printing charges;

(*b*) whether any tenders were called for from printing firms before the rates were settled;

(*c*) when the existing contract is due to expire; and

(*d*) whether tenders will be called for from printing firms before a fresh contract is entered into? If not, why not?

ADMISSION TO HIGHER CLASSES OF SERVANTS OF SICK TRAVELLERS.

512. ***Mr. Goswami M. R. Puri:** (*a*) Has the attention of Government been drawn to an article entitled "Servants of Sick Persons" at page 311 of the *Indian Railway Magazine* in its issue of December, 1931?

(*b*) Is it a fact that servants of sick persons holding a lower class ticket are not now allowed to travel in the higher class for the purpose of attending on their sick masters?

(*c*) Are Government aware that the servants compartments are away from the upper class compartments and that this new rule is likely to cause great hardship?

(*d*) Do Government propose to direct that this new rule be withdrawn?

Sir Alan Parsons: (*a*) Yes.

(*b*) Yes, the concession was withdrawn over two years ago.

(*c*) Servants compartments are not always far from upper class compartments, but, in any case, I could not accept the suggestion that the distance between upper class compartments and servants compartments is any criterion for justifying a concession of the kind referred to.

ABOLITION OF RAILWAY DINING SALOONS.

513. ***Mr. Goswami M. R. Puri:** (*a*) Has the attention of Government been drawn to an article entitled "Saloons and Dining Cars" at page 5 of the *Indian Railway Magazine* in its issue for January, 1932?

(*b*) What is the approximate amount spent in the haulage of saloons and dining cars on State Railways?

(*c*) Are Government aware that all Government officials who have to do inspection work, use dak bungalows and rest-houses for the purpose of transacting their business?

(*d*) Are Government aware that most of the junction stations have got well-equipped retiring rooms and refreshment rooms?

(*e*) With a view to economy, do Government propose to direct the abolition of the use of saloons and dining cars? If not, why not?

† For answer to this question, *see* answer to question No. 509.

Sir Alan Parsons: (*a*) Yes.

(*b*) I regret the information is not available, and its compilation would necessitate very considerable work.

(*c*) Yes, where these are provided.

(*d*) No. There are very few junction stations which have retiring rooms and refreshment rooms. In any case junction stations are by no means the only stations at which Government officials halt.

(*e*) No, as the circumstances giving rise to the provision of saloons and dining cars have in no way altered.

PUBLICATION OF NOTIFICATIONS *re* SELECTION OF ENGINEERING APPRENTICES.

514. ***Mr. Goswami M. R. Puri:** (*a*) Has the attention of Government been drawn to an article entitled "Closed Doors" at page 7 of the *Indian Railway Magazine* in its issue of January, 1932?

(*b*) Is it a fact that the notification about the selection of engineering apprentices which took place in or about August 1931 at Madras was not published in any of the popular English dailies of Madras, *e.g.*, the *Hindu*, the *Swarajya* or the *Justice*?

(*c*) How many candidates presented themselves for selection for the engineering apprenticeship?

(*d*) Is it a fact that in December, 1931, another all-India selection for apprenticeship in Transportation (Power) was held by the Public Service Commission?

(*e*) In what newspapers of Madras was this announced and for how many days?

(*f*) How many candidates appeared for selection?

(*g*) Are Government aware that the *Patna Times* also complained in one of its issues in December 1931 that nobody knew of the selection and that a very small number of candidates presented themselves owing to want of publicity?

(*h*) Do Government propose to direct the Public Service Commission to give wide publicity to their selections?

Sir Alan Parsons: (*a*) Government have seen the article mentioned.

(*b*) and (*c*). No such selection took place in or about August 1931, so far as the Government of India are aware.

(*d*) A selection was held at Madras in December, 1931.

(*e*) The notice was published in the Madras Gazette, and copies were sent to the Associated Press and the Free Press of India, for publicity.

(*f*) Forty-nine from the Madras Presidency.

(*g*) Government have not seen the article referred to.

(*h*) Government do not propose to issue directions to the Public Service Commission in the matter.

UNSTARRED QUESTIONS AND ANSWERS.

Reports of Retrenchment Sub-Committees.

93. Mr. S. C. Mitra: Will Government please state whether the following sub-committees of the Retrenchment Committee have submitted their final reports:

(1) the Army Committee;

(2) the Post and Telegraph Committee;

(3) the Stores and Printing Committee; and

(4) the Public Works Department and Accounts Committee?

The Honourable Sir George Schuster: I would refer the Honourable Member to the reply I gave to part (*b*) of Mr. Badri Lal Bastogi's starred question No. 269 on the 12th instant.

Railway Concessions for the Transport of Khewra Salt to Calcutta.

94. Mr. G. Morgan: Referring to the reply given by the Honourable the Finance Member to starred question No. 338, on 13th February, 1932, will Government be pleased to state the actual amount of concession given by the railways for the transport of Khewra salt to Calcutta and the date on which the concession came into force?

The Honourable Sir George Schuster: The North Western and East Indian Railway Administrations have fixed the combined rate for the carriage of crushed salt from Khewra to Howrah at annas 11 per maund, with effect from 1st November, 1931. The former combined rate was Rs. 1-3-9. The reduction therefore amounts to annas eight pies nine per maund.

Kurkutch Salt exported from Karachi to Calcutta.

95. Mr G. Morgan: Referring to the reply given by the Honourable the Finance Member to starred question No. 342, on 13th February, 1932, will Government please give the actual quantity of Kurkutch salt included in the total quantity of salt exported from Karachi to Calcutta for the years 1928-29, 1929-30, 1930-31 and April 1931 and January 1932, the figures for each period to be given separately?

The Honourable Sir George Schuster: The actual quantity of Kurkutch salt exported from Karachi to Calcutta was:

	Maunds.
1928-29	5,462
1929-30	75,442
1930-31	329,677
April, 1931 to January, 1932, that is to say for 10 months	269,310

THE BAMBOO PAPER INDUSTRY (PROTECTION) BILL—*contd.*

Mr. President: The House will now resume further consideration of the Bill further to amend the law relating to the fostering and development of the bamboo paper industry in British India—consideration clause by clause. The question is that clause 2 stand part of the Bill.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, I beg to move that in clause 2 for the figures "1939" the figures "1936" be substituted. Most of the reasons I have submitted yesterday, and I would add the following reasons very briefly for the amendment of this clause. My first reason is that having regard to the discussion by the non-official Members, and particularly the speeches of the Leader of the Nationalist Party, Sir Hari Singh Gour, and of the Independent Party, Sir Cowasji Jehangir, we are not satisfied that sufficient efforts are being made by the Government for Indianisation by the present companies. My second reason is that, with the five years' protection they have had already they have not made sufficient progress towards fulfilling the conditions and putting the paper pulp industry on a sound basis. Thirdly, I submit that the cost to the public for general publications and also rise in the cost of paper, and also having regard to the cost to which the public has been put, it is not expedient that the Bill should be made to extend beyond 1936.

Lastly, I submit that this is sufficient time and if they want to put it on a sound basis they could easily do so, and it is not necessary to tie the hands of the future constitution which may come into existence in the near future. For these reasons I move that for the figure "1939" the figure "1936" be substituted.

Mr. G. Morgan (Bengal: European): Sir, with regard to the change suggested by this amendment, I would like Honourable Members to take a broad view of the position. We know that in the beginning of this protective duty the mills, as I said yesterday, were practically bankrupt, and the Tariff Board has reported that "Considerable progress has been made in the improvement and development of bamboo pulp",—that is during the first period. We also know that during the period of the first protective duty, which has come to an end, the first two or three years were practically years of struggle, of getting out of the financial difficulties in which the mills were placed. They could not possibly have carried on because their financial position was desperate, and they could not have carried on, even as paper-makers, without any question of bamboo pulp or anything else; very much longer if at all. Now, the point I want to make in this connection is that if this period is reduced, it will shake the confidence of the paper manufacturers as regards putting more money into the making of bamboo pulp, which has now practically passed the experimental stage. The Tariff Board say:

> "We believe that firm and solid foundations have been laid for the industry, and the confidence of the industry, as far as the industry is concerned, is shown by the arrangements now being made for further development."

Now, the arrangements to be made for further development depend on protection being given. If protection is limited to a very short period, that confidence will be shaken, and I maintain that it is essential that protection should be granted for the full period stated in the Bill. It

[Mr. G. Morgan.]

will take at least 18 months to two years to make the necessary alterations and to get the machinery out which is necessary for this development, as stated on page 52, paragraph 54 of the Tariff Board's Report. I do not think anybody can expect an industry to put in large sums of money for new machinery which is absolutely necessary for this development if they have their confidence shaken as to the protective duty possibly coming to an end within three or four years. I do want Honourable Members to take a broad view of this, as an industry in the interests of this country. If you want to develop your bamboo pulp industry, you must give confidence to that industry. I therefore, Sir, oppose the amendment moved by my friend, Mr. A. Das, and I hope that this House will, as I repeat, take a broad view and come to the conclusion that the period asked for in the Bill is not excessive. I am perfectly certain that within the next 2 or 3 years my friends will be satisfied with the development they are asking for, and by the twisting of the tails of which some of my friends spoke yesterday they will see that the mills are fully alive to the situation, that the money will be put in and that the development will take place very rapidly.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I have also given notice of a similar amendment extending the period of protection not even to 4 years but only to 3 years. I do not accept that part of the argument of my friend Mr. A. Das in which he says that 4 years will be a sufficient period of protection for this industry. I agree with Mr. Morgan that even seven years may not be sufficient, but I should like to repeat what I stated yesterday, and it is this: there is no assurance even now forthcoming from the manufacturing interests that they are not going to behave in the manner they did last time. That was the reason why in the Select Committee's Report we made the point in the dissenting minute signed by seven Members headed by the signature of my friend Mr. Azhar Ali. We said that we want some assurance that the bamboo pulp industry may not suffer again and the main purpose of this Bill may not be frustrated. Mr. A. Das made it clear that the two points on which we want to assure ourselves are, firstly, that there will be gradually increasing Indianisation, and secondly that more bamboo pulp will be used by the manufacturers for the manufacture of paper. I should like to read that portion from our dissenting minute:

> "The way in which the chief paper manufacturing concerns of this country mis used the first protection period has strengthened our belief that the aim of the paper manufacturers has simply been to get protection against foreign paper at the expense of the consumer on a mere pretext of promoting bamboo pulp industry in this country. During the first period of protection 1925—31 their efforts towards the promotion of bamboo pulp industry have been spasmodic and they have hardly shown any tangible results in this direction. As a matter of fact, the India pulp and paper company used less bamboo at the end of the protective period than what they did at its beginning."

Then we gave certain examples to illustrate our standpoint, and the same thing has happened about Indianization as well. So if we fix a lesser period than seven years it is not that we do not like to extend this period of protection, but we should like to have some assurance so that these companies may not misbehave as they did on the last occasion. I know there are difficulties to secure that end, but if it merely is a question of confidence, why should my Honourable friend, Mr. Morgan, think

that the newly constituted House in 1936 or 1935 will look at this question from an altogether different standpoint? While during this period of 3 or 4 years this industry will be in a position to conclusively show that they are proceeding on right lines, and then their case will be far stronger than now. Sir, I think we should be doing injustice to future legislatures in assuming that they will be so unreasonable, but even assuming that, what guarantee is there that they will continue to give this protection? They have a right to repeal this Act at any time. If it is a question of confidence alone, then you should have confidence in the reasonableness of future legislators or the Indian people whose representatives they will be. You cannot by any Act go beyond the influence or control of the whole nation itself. So I say that it will be to the interest of the paper manufacturers as well to agree to a shorter period without raising any objection. We on our side can assure them that there will be no difficulty in extending this period not only to 7 years but if an expert body like the Tariff Board say that it should be extended for another 5 or 7 years, the House will certainly agree to it. But by this amendment we get an opportunity to judge for ourselves whether the manufacturers are going on the right lines, on the lines that this House desires them to go. That is our only object in moving for a shorter period, and not that we think that this shorter period will be sufficient for the protection of this industry as a whole.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): I rise to support this amendment. Since yesterday we have heard several speeches on the question of the Indianisation of the industry. We know that in India there were best industries which had been annihilated, and therefore it is now high time that we put them in their old places. For that purpose it is very necessary that the manufacturers should help the Indianisation of the industry. Yesterday I was not a little surprised when my Honourable friend Sir Edgar Wood made a broad statement that by this time the industries have been Indianised. I interjected and asked if he could tell me the percentage. He was unable to do so. Since then we have had the Leader of the House give us some figures of apprentices having been trained or taken under tuition. The figures show how meagre it has been. I believe it is only some subordinates in the menial services or jobs who have been taken up or are being given some training. What is required is a *bona fide* attempt on the part of the manufacturers to Indianise the industries. But we are disappointed, and it is therefore meet and proper that this Bill should not be extended to such a time as 1939, because there will always be assertions made such as those my Honourable friend made yesterday, and we shall have nothing to test with and find out if a real attempt has been made in that direction. I think there is a unanimity of opinion that the Indianisation should proceed fast in all industries. On that ground alone I would say that it is in the fitness of things that this amendment should be accepted. Within that space of time we shall have facts and figures which will show how far an attempt has really been made to Indianise. We want to test the thing by practical methods and if this Bill is extended only up to 1936, we will by then know how the thing has shaped, and then it will be easy to bring in another Bill to extend the time if it be justifiable. We should not extend the Bill at the present time to so far away as 1939? On the contrary it creates doubts and suspicions in my mind that the manufacturers may say, "Whether we Indianise the industry or not, we have

[Mr. Lalchand Navalrai.]

this protection up till 1939, and we shall go on merrily". That is not fair and just. I therefore submit that this is a very reasonable amendment, an amendment to which there cannot be any valid objection, and I therefore support it.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): I also support the amendment moved by my Honourable friend, Mr. A. Das.

Sir, one of the several factors mentioned in paragraph 92 of the Tariff Board's Report for the extension of the protection granted in 1925 is the prevailing rate of interest calculated at the rate of 7½ per cent. on working capital. I would like the House to consider whether this present high rate of interest should be taken as the standard rate for the next seven years for which the protection is proposed to be extended.

Owing to the abnormal financial stringency all over the world the rate of interest has gone as high as 7½ per cent. whereas on an average we find that the bank rate of interest is always in the neighbourhood of 4½ to 5½ per cent. So, I cannot reconcile myself with the calculation of the Board regarding the rate of interest on capital. For the purposes of calculation, we should strike a mean between the highest rate and the lowest rate of interest prevailing during the last five years, and it will be in the neighbourhood of 6 per cent. Sir, on that basis the figure of Rs. 73 as calculated by the Board in their Report will correspondingly come down by about Rs. 2. Then, Sir, in coming to the question of the head office and the managing agency charges, we find the Board has come to the figure of Rs. 11 per ton of paper. But, Sir, this seems to be high and there is reason for this high charge. The companies taking advantage of the protection granted to the industry are in a better position to fritter away large sums of money by keeping highly paid Europeans whose work could well have been done by Indians on lower salaries, thereby bringing down the cost of the head office charges. Up till now, we have not received any conclusive proof as to whether the paper mills at Titaghur and Kankinarrah and Naihati have Indianised their higher appointments either at the mills or at the head offices. This House therefore cannot agree to give the mills the overhead charges at Rs. 11 per ton calculated at the rate of 10 per cent. of the profit. Further on, we find the Board has calculated profit at the rate of 8 per cent. which seems to be too high for the purpose of calculating the selling price. I cannot agree with the Board's findings that further economies will require a longer period than seven years for which the protection is being proposed. Sir, unless we force the companies to find out ways and means to further economies, and if we treat the manufacturers as spoilt children, they will never take to economies and Indianisation. What we should do is to take the works cost of finished paper per ton to be Rs. 300, as calculated by the Board in paragraph 78, and not Rs. 327 as suggested by them in paragraph 90 of their Report. If we limit the period of protection to four years more it will give the industry a total period of protection of 11 years from 1925.

Sir, normally ten to eleven years is a fair period within which an industry should try to be self-supporting when it gets protection for that period, but if this particular industry has not been able to stand on its own legs, the country at large cannot be requested to pay such a high

cost. If after all we find after three or four years, that it is not becoming possible for the industry to make economies suggested by me, and if we find that the rate of interest remains at such a high figure of 7½ per cent the House would then be prepared to consider in 1936 whether any further period of protection is required for the industry.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): I am afraid I must oppose the amendment moved by my Honourable friend. My Honourable friend, Mr. S. C. Mitra, in supporting the amendment made his position clear. He evidently supports the amendment with a view to ensure that the paper mills will take adequate steps to develop the bamboo pulp industry. I am certainly at one with him in sharing our disappointment that during the last 6½ years the paper companies had not taken sufficient and adequate steps to develop the bamboo pulp industry. But to be fair to the paper companies, we must admit that they are not entirely to blame in this respect. Honourable Members who have studied the last Report of the Tariff Board on this question will observe that the Tariff Board at that time was of opinion that bamboo pulp as a raw material for the manufacture of paper was still in an experimental stage and they did not feel justified in recommending the imposition of a protective duty on foreign wood pulp. But the Tariff Board made a definite suggestion that financial assistance must be given to a certain paper mill in order to enable it to purchase the necessary machinery for the manufacture of bamboo pulp. The Government of India did not accept that recommendation of the Tariff Board and this House concurred in the decision of the Government. The reasons that underlay this decision of the Government of India were primarily the facts that the paper mill to which this financial assistance was recommended was a private company and also that the sulphite process, which was to be tested with the assistance of the subsidy, was covered by patent rights held by one of the members of this private company. For these two reasons the Government of India did not feel justified in accepting the recommendation of the Tariff Board for the grant of financial assistance to this paper mill. We therefore did not give to the paper mills sufficient encouragement to enable them to install the necessary machinery for the manufacture of bamboo pulp. I wish to draw the attention of the House to this aspect of the question, because while I share the regret of my Honourable friends that sufficient progress has not been made in the development of bamboo pulp, the entire blame cannot be laid at the door of the paper mills. Such being the case, we have now to look to the future. We have now definitely decided to grant adequate protection for the manufacture of the bamboo pulp industry in India, and it is with that object that this proposed duty of Rs. 45 per ton has been recommended by the Tariff Board for a period of seven years. If this House is anxious that definite steps must now be taken to develop the bamboo pulp industry, it must give sufficient encouragement and sufficient assurance to the paper mills to install the necessary machinery for the manufacture of bamboo pulp, and I would like to draw the attention of the House to paragraph 99 of the Tariff Board's Report where they say:

"While we are of the opinion that the period suggested by the companies is too long we think that in view of the difficulties of technique, organisation and machinery which have come to light in connection with the manufacture of paper from bamboo, a period of seven years will prove adequate."

[Mr. R. K. Shanmukham Chetty.]

Now the Tariff Board is clearly convinced that on account of the difficulties of technique and other organisation connected with the manufacture of bamboo pulp, you must assure to the paper mills protection for a period of seven years, and in view of this very important circumstance, I hope that the House will accept the original proposal for the grant of protection for a period of seven years.

The Honourable Sir George Rainy (Member for Commerce and Railways): I have very little to add to the remarks which have fallen from my Honourable friend the Deputy President. I think he has stated the case against the amendment very clearly and very fairly. If you are going to give protection at all, it must be given to an extent and in the form which will achieve the results which protection is intended to achieve. The difficulty always is that if you make the period a very short one, you will not obtain the desired effect, because the investor will have no confidence that the duty will be in force for a sufficient period to enable him to install his machinery, go through the difficult period at the outset before he has trained his staff and got the best results out of the machinery, and then a further period during which he hopes to cover the losses of the earlier years. What it really comes to is this, that unless the country is prepared to give protection and guarantee that protection will continue for a reasonable period, it is probably better not to give it at all, because there is great danger that burdens will be imposed on the consumer with no result. For this reason, I must oppose the amendment.

Mr. President: The question is:

"That in clause 2 for the figures '1939' the figures '1936' be substituted."

The motion was negatived.

Mr. President: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Mr. President: Clause 4.

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): I move that clause 4 be omitted. This clause is a little bit technical. I shall try to explain to the House the meaning of this clause as simply as I can. Most of the newspapers in India are printed on a kind of paper which is technically called newsprint. The newsprint which is generally used in India contains 70 per cent. of mechanical wood pulp and 30 per cent. of chemical pulp. If you increase the percentage of mechanical pulp in a paper and reduce the percentage of chemical pulp, the paper produced is of somewhat inferior quality. This newsprint is a cheap variety of paper which does not come into competition with the products of the Indian mills. It was in 1925 that the Tariff Board, over which Sir George Rainy presided, fixed this percentage at 65, and it is an irony that to-day I from the non-official side am going to support the recommendation of Sir George Rainy and Sir George Rainy from his seat in the Official Benches is going to oppose his own recommendation. Now, Sir, the question is if the newspapers use newsprint with a percentage

of 70 per cent. mechanical pulp, why was the percentage fixed at 65? The reason is this. The Tariff Board in 1925 inquired from the Controller of Stationery and Printing whether it was possible to ascertain accurately the percentage of mechanical pulp in a paper. The Controller of Stationery said that it was very doubtful. Therefore, they fixed the percentage at 65 to leave a margin of error of 5 per cent. The wisdom of that step was wholly justified by later events. The customs authorities adopted a method of testing for this paper. They call it—it is very difficult to pronounce it—the phloroglucinol test. They found that it was very unsatisfactory. They discarded it and adopted another method called the Spence and Krauss method. We are not concerned with this method or that. What we are concerned with is this, that this clearly shows the need for a provision of a margin of error. This clause eliminates even that percentage of 5 per cent. which was fixed as a margin of error. I shall read out to you, Sir, a statement that was supplied to me by the Secretary of the Indian Journalists Association, Calcutta. Samples of seven different kinds of newspapers were sent to very high paper testing experts in London, Manchester and Norway, and the results of their analysis differ. In the first sample the actual fibre content of chemical pulp was 22 per cent. The Manchester College of Technology said it contained 22 per cent. Sindal and Bacon, London, said it contained 23·8 per cent. Dr. Halse, Norway, said it contained 21·85 per cent, and Dr. Heidenreich, Norway, said it contained 21 per cent. In the second sample the actual fibre content of chemical pulp was 22 per cent. According to the Manchester College of Technology it was 23 per cent., according to Sindal and Bacon, 18·4 per cent., according to Dr. Halse, Norway, 21·79 per cent., and according to Dr. Heidenreich, Norway, 20·9 per cent. In the third sample the actual fibre content was 14 per cent., according to the Manchester College of Technology it was 16 per cent., according to Sindal and Bacon, London, 8·1 per cent., according to Dr. Halse, Norway, 15·45 per cent., and according to Dr. Heidenreich 14·2 per cent. In the fourth sample the actual fibre content was 14 per cent. According to the Manchester College of Technology it was 21 per cent., according to Sindal and Bacon, 12·0 per cent., according to Dr. Halse, Norway, 15·70 per cent. and according to Dr. Heidenreich, Norway, it was 13·5 per cent. In the fifth sample the actual fibre content was 26 per cent. According to the Manchester College of Technology it was 30 per cent., according to Sindal and Bacon, London, it was 21·7 per cent., according to Dr. Halse, Norway, 25·25 per cent. and according to Dr. Heidenreich 23·6 per cent. In the sixth sample the actual fibre content was 26 per cent. According to the Manchester College of Technology it was 32 per cent., according to Sindal and Bacon, London, it was 23·6 per cent., according to Dr. Halse, Norway, 24·45 per cent., and according to Dr. Heidenreich, Norway, 24 per cent. In the seventh sample the actual fibre content was 22½ per cent. According to the Manchester College of Technology it was 22 per cent.; according to Sindal and Bacon, London, 19·3 per cent.; according to Dr. Halse, Norway, 21·82 per cent., and according to Dr. Heidenreich, Norway, 22·0 per cent. Now if among the highest authorities, among paper experts, there is this difference, there is a still greater chance of mistakes being committed by Customs officials here, and that shows the need for leaving a wide margin of error. I want the House to remember that this proposal of an increase was considered by the Tariff Board and rejected by them. I do not understand what particular interest the Government are going to

[Mr. Abdul Matin Chaudhury.]

protect by the insertion of this clause. Evidently it is not in the interest of the bamboo pulp. It is not in the interest of the paper mills, because it is impossible to manufacture from Indian material newsprint at competitive prices. It is not in the interests of the consumers evidently. The only person who will be benefited is the Honourable the Finance Member, who will get a little extra revenue. (*Voices of* "Question, question.") Now, Sir, on the other hand the newspaper industry will be very hard hit by this. Already, because of the trade depression, because of the fall in the advertisement revenue, and particularly because of this epidemic of Ordinances, the Indian newspapers are in a very desperate condition. The quality of paper used by the Indian newspapers is very inferior. It is a torture to the eye to read them, and they will be forced to use inferior kinds of paper if we accept this particular clause. Some of my friends on the Select Committee in their minute of dissent have made a very hesitating statement. They have said:

"During the course of our discussion we objected to the raising of percentage of mechanical wood pulp in printing paper from 65 to 75 per cent., of the fibre content, as we believed that it might handicap the newspaper industry. We were however assured by the Government spokesmen that it was being done only for administrative convenience and that the newspaper industry will not be affected and that there will be no extra tax on it. In view of this assurance we agreed. If, however, later it is found that the newspapers find this raising of percentage harmful we are of opinion that the Government by administrative means should relieve such hardship."

Now my friends are satisfied that there will be no extra tax on newspapers, but I am afraid the Customs officials will not be so satisfied. They will not be satisfied with the assurance expressed either in the privacy of the Select Committee or on the floor of the House. They will point to this Act and say, "here is my bond and I insist upon my pound of flesh", and the newspaper man will be compelled to pay. Sir, this will mean a severe blow to the newspaper industry. The Indian Journalists Association in Calcutta takes such a serious view of the situation that they passed a resolution asking the Honourable Members to protest against this increase, and they also have deputed one of the leading journalists of Calcutta to come over and press on Honourable Members not to accept this clause. Now the question that the House has to decide is this, whether they are going to support the recommendation of two successive Tariff Boards, backed up by the expert opinion of the Calcutta journalists, or whether they will support the Honourable the Commerce Member in his inconsistency.

Mr. S. C. Mitra: Sir, my Honourable friend, Mr. Abdul Matin Chaudhury, has made it clear that this clause involves some technical knowledge in order to properly understand it. From the figures quoted at least one thing is clear, that no two experts agree about anything in all the various tests. That is the only point of agreement; and as a matter of fact I understood, consulting some journalists here, that as a matter of practice what the customs people were attempting was not to look at the fixed percentage of 65, but 5 per cent. either below or above, to exempt newsprint from the import duty. As I understand the matter generally, newsprint generally contains a percentage of mechanical pulp varying from 63 and 70 per cent. What will now happen under the new change proposed is that what will come under 65 per cent. of

mechanical pulp will be liable to higher duty. It is also admitted that newsprint coming to India under the lower scale of duty will not affect the interest of the Indian paper manufacturers. They do not really deal with mechanical pulp at all; they deal with bone dry wood pulp which is a different thing. So this clause does not really militate against the interests of the Indian manufacturer of papers. I think therefore, strictly speaking, this clause hardly comes under the scope of this Bill at all. We must also take into consideration the fact that paper is not a finished product and that it is a raw material for some other industries as well, the chief of which is of course the printing industry and the newspaper industry. Our newspapers, as my friend, Mr. Matin, said, suffer under various disadvantages. As a matter of fact, even now I understand the Indian daily papers suffer from the peculiar rules that obtain in the Customs Department. They have a flat rate. The Indian papers generally use paper the present price of which is 1 anna 5½ pies per pound. But the duty is fixed at the tariff value of a flat rate by the customs authorities at one anna and 10 pies per pound and on this basis they pay nearly 33⅓ per cent. duty instead of 25 per cent., as has been fixed by the Act itself. So, in a ton of paper, instead of paying Rs. 250 with a duty of 64, they pay for each ton of paper Rs. 14 more.

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That was the reason why the Indian Journalists Association of Calcutta have passed the following Resolution:

"It is further resolved that the assessment of duty on fictitious value on Newsprint called Tariff value be discontinued and that the duty be calculated on the invoice price of such papers and in accordance with the assurance given by Sir George Rainy, the Honourable Commerce Member during the Emergency Budget discussion, this surcharge of 25 per cent., on Newsprint imposed by the Emergency Budget be now discontinued."

It is expected also that they are not anxious to bring newsprint under the purview of this higher import duty. That being the case, where is the need to change this law which has now been in force for the last few years. Now, the Customs people have got some training and there is the margin of 5 per cent. both above and lower to bring the newsprint under the lower rate. As a matter of fact, if I am not disclosing any secret of the Select Committee, I think we were given the impression that, though there will be this change in the percentage from 65 to 70, Government are not really going to change the actual practice. That is to say, the same margin will be left and those who now may claim the lower scale of duty will get that advantage. If that is the case, I do not see any reason why the Honourable the Commerce Member should insist on this change being made in the law. I hope he will make it quite clear that the newsprint that comes under the lower rate will continue to do so and there will be no change. We would also like to have an assurance from him that in the day to day administration by the Customs officers, who are to enforce this law, there will be no further difficulties imposed on the newspaper men, or he will accept the amendment of my Honourable friend Mr. Abdul Matin Chaudhury and not press for this clause at all.

Mr. G. Morgan: Sir, I oppose this amendment. The reasons that I give for opposing it are these. There is a certain amount of misapprehension about this 65 and 70 per cent. mechanical pulp. When the Tariff Board suggested that it should be 65, the original proposal was

[Mr. G. Morgan.]

that it should be 70 and it was acknowledged that there was a margin of error owing to all the difficulties which my Honourable friend Mr. Abdul Matin Chaudhury has just explained. Nobody seems to know anything about it. Therefore, there is a margin of error one way or the other but nobody can guarantee it. Suppose you make a contract of 65 per cent., nobody can guarantee that that percentage will run right through and the paper will have that exact amount of 65 per cent. of mechanical pulp. Now, the Tariff Board in fixing it at 65 had got the wrong idea in their mind. They said 70 and with a margin of error of 5, but they quite forgot that if the contracts are made at 65 the margin of error still remains. If I make a contract at 65, I cannot guarantee that I am going to run right through at a definite proportion of 65 through every square inch of the paper. It is impossible. Therefore, in making it at 65 they had to give a margin of error. Now, the question that comes in is this. When you get down as low as 60 per cent. in the percentage of mechanical pulp, you compete with the class of paper made in India, and not the newsprint as we understand it because the Indian mills do not manufacture newsprint. Newsprint as is used by the newspapers has 70 to 75 mechanical pulp. I think every newspaper man will acknowledge that this is a fact.

Mr. Abdul Matin Chaudhury: May I point out to the Honourable Member that according to Lochen & Co., the biggest importer of papers in India, the percentage of mechanical pulp in newsprint varies from 65 to 72?

Mr. G. Morgan: The margin of error brings it down below 65 and the idea has all along been to make it 70. I may inform the House that the Poona and Lucknow Indian Mills have lost a great deal of their business owing to this lower mechanical pulp percentage paper coming into India which has been allowed to come in free of duty as newsprint. But as far as I understand, it has never been used as newsprint. It is being sold in competition to the Badami paper which is manufactured by the Indian mills. The Tariff Board put the percentage at 65 and entirely forgot that the margin of error still remained. The proposal is that we should come back to 70 and the margin of error will still remain somewhere roundabout 5 per cent., so that the newspapers will get their 65 . . . . .

Mr. Abdul Matin Chaudhury: Is the Honourable Member aware that according to Messrs. Cross and Bevan the margin of error ought to be 10 per cent. and not less than that?

Mr. G. Morgan: I am not aware of that. I do not think, Sir, I have anything more to say on that point. I think it has been sufficiently explained that the newspapers will not suffer in any way whatever and that the Indian mills would be protected in so far as their cheap variety of paper is concerned. I might also mention that the American definition of newsprint is 75 per cent. mechanical pulp. I think my Honourable friend probably knows that. So I oppose this amendment.

Mr. Arthur Moore (Bengal: European): Sir, I must apologise for addressing the House with a cold in my head. I doubt whether I can

make my voice reach the Leader of the House, but I have a great deal of sympathy with the motion moved by my friend Mr. Abdul Matin Chaudhury. I think he has conclusively shown that these chemical tests can give the most surprising results, that the margin of error is considerably more than 5 per cent., and that there is a real danger that the newspaper industry might be penalised when the Legislature has, in fact, no such intention. At the same time, I realise that we have no chance whatever of carrying Mr. Chaudhury's motion in this House. Therefore, I would particularly ask the Leader of the House that he should renew in this House the definite assurance which seven Members of the Select Committee tell us was given to the Committee,—that the newspaper industry will not be affected and that there will be no extra tax on it.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, a large number of representations have also been made to me by those who use this newsprint and I have been told that they are really in danger of being penalised, although as my Honourable friend, Mr. Arthur Moore, put it, the Legislature does not mean to penalise them. We have heard that the Tariff Board also did not recommend a measure like this.

Now, that body being a technical body, dealt with the subject most carefully and I should think that we, as laymen, should accept their verdict in this matter as correct, and I would appeal to the Leader of the House not to depart from the practice of giving more weight to their decision on matters like this, especially when he finds that representation is being made to him on behalf of newspapers who deal not in large quantities but in smaller quantities and have to purchase their paper from wholesale dealers in India. I hope he will see his way to stick to the old percentage of 65 per cent. and not to press his case for increasing it to 70 per cent.

Mr. R. K. Shanmukham Chetty: I am afraid a good deal of confusion has been caused in the minds of some Honourable Members by the amendment. I want from my Honourable friend, the Commerce Member, an assurance that the proposed change will not in any manner alter the original recommendations of the Tariff Board. I understand the original recommendation of the Tariff Board to be this, that the maximum percentage of mechanical wood pulp permitted for newsprint is 65 per cent. Let the House be clear on that point. Does the newspaper industry want to take advantage of the confusion that has been created and import paper containing less than 65 per cent. of mechanical wood pulp? If that is so, we must certainly oppose this amendment. If the effect of this amendment is going to be to permit newspapers to import paper containing less than 65 per cent. of mechanical wood pulp, then this amendment goes against the recommendations of the Tariff Board and the intention of the Legislature.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Can they print on paper of such a quality even if it is imported? Can they use it?

Mr. R. K. Shanmukham Chetty: Oh! Yes. If the percentage of mechanical wood pulp is less, the quality of the paper is superior and it is an advantage to newspapers to get free of duty a paper superior to the one they ordinarily use. I do not think there is any doubt on that point. What the newspaper industry can legitimately claim is that newsprint

[Mr. R. K. Shanmukham Chetty.]

containing 65 per cent. mechanical wood pulp is not in any way handicapped by this new amendment. If I understood the Honourable the Commerce Member aright when he explained the position in the Select Committee, it comes to this. As a result of having the figure 65 in the Tariff Act, what happens is this. A newspaper company places an order or enters into a contract for the supply of newsprint containing 65 per cent. of mechanical wood pulp. Now the manufacturer purports to send in accordance with this order, newspaper of that quality, but when it is actually tested, the margin of error comes in and though it may actually contain 61 per cent. of mechanical wood pulp, the importer claims exemption from the duty on the ground that allowance must be given to this margin of error. The result is that the intention of the Legislature and the Tariff Board is not carried out. The newspaper industry in this particular case is permitted to import paper superior in quality to the one that they need and we have been told by the Honourable Member Mr. Morgan that it is competing with the Indian paper industry.

Maulvi Muhammad Shafee Daoodi: Was not this consideration before the Tariff Board?

Mr. R. K. Shanmukham Chetty: The Tariff Board recommended that the mechanical content must be 65 per cent. and in making their recommendation, they did not take into consideration the margin of error. Therefore to supply the *lacunæ* and to prevent any particular company from importing paper with less than 65 per cent. of mechanical wood pulp, it is now proposed to make the figure "70" so that a newspaper concerned that wants to protect itself will have in future to order for paper containing 70 per cent. of mechanical wood pulp. If in the test it is found to be 65 per cent. it comes within the margin of error of 5 per cent. and it will go free of duty. I take it that that was the intention of Government in proposing this amendment. If as a result of the amendment the position of the newspaper industry would not be made worse than what it is, then I submit that we ought to support the proposal to have it at 70 per cent. and not at 65 per cent.

Sir Cowasji Jehangir: I do not wish to speak about the merits of this question, but I desire to draw the attention of Government to a question of procedure. I find that the Honourable Member in charge does not speak till the very end and keeps the House more or less in ignorance of the point of view of Government on any amendment that may be moved and thus deprives Members on this side of the House from replying to the criticisms that he may have to make on speeches already delivered here. The Member of Government, I believe, has a right to speak twice or if he has not, then some other Member of Government can explain the position before we listen to a Member of Government in his final reply. I would urge upon the Leader of the House to take this point into consideration, especially when we are discussing a technical question like this on which there appears to be so much ignorance in the House. If the Honourable the Commerce Member merely replies at the very end, he deprives us of our chance of asking him questions and getting further elucidation from him on the debate.

The Honourable Sir George Rainy: I should like to say that I shall always be ready in a matter of this kind to adopt the course which will best suit the

convenience of the House. It depends a good deal on the nature of the amendment. Sometimes an amendment is moved on which the Government Member has the opportunity at an earlier stage of explaining the view of Government and then naturally in the ordinary course, he does not rise till near the end of the discussion. If any thing I can say on this particular amendment is likely to be serviceable to the House, I have not the least objection to making my speech at once.

Now, my Honourable friend, the Mover of the amendment, referred to the fact that what I was doing was turning down a recommendation of my own. I do not know that it is always a bad thing to make "a stepping stone of one's dead self to higher things" or at any rate, if it appears that in some previous incarnation one has made a mistake, one ought not to be above correcting that mistake. The matter was definitely dealt with by the Tariff Board in 1925 when I was President of the Board, and I do not think the question was reviewed in detail by the Tariff Board during the last enquiry. Therefore, it is the Tariff Board's Report of 1925 that is in question. Now, this is what the Tariff Board said, and I think it will simplify matters if I read out the relevant portion of paragraph 150 of the Tariff Board's Report in 1925:

"The information given by the newspapers shows that the 'newsprint' commonly imported contains about 70 per cent. of mechanical wood pulp, and if paper containing this percentage remains subject to the existing duty the newspapers will not be prejudiced."

That is the basic point from which we start. As long as paper containing 70 per cent. of mechanical wood pulp is admitted at the lower rate of duty, the newspapers will not be prejudiced.

"We enquired from Controller whether, by chemical or other tests, the proportion of mechanical pulp contained in a given sample of paper could be ascertained accurately, and he said he was doubtful whether it could be done. We think it should be possible, however, to determine the proportion with an error not exceeding 5 per cent. and if the tests at present used in the Controller's office are insufficient, more exact methods of estimating may be known in other countries. Our proposal is that all papers containing not less than 65 per cent. of mechanical wood pulp should remain subject to the present rates of duty on 'newsprint'."

Therefore what the 65 per cent. that is found in the existing Act means is that the paper ought to contain 70 per cent. of mechanical wood pulp, but owing to the difficulty of testing we accept 65 per cent. instead of 70 per cent. Now comes the difficulty which the Customs Department have actually experienced. As long as the figure of 65 per cent. is the figure in the Act, the newspapers tend to place contracts with manufacturers for the supply of paper containing 65 per cent. of mechanical wood pulp. The paper reaches India, the sample is examined in the Custom House, and that particular sample is found to contain (say) 61 per cent. or possibly even as low as 59 per cent. of mechanical wood pulp. And then the manufacturer says, "Nevertheless I ought to be allowed to import this paper at the lower rate of duty, first because of the difficulty of testing accurately and secondly the impossibility of ensuring that every sample of a large mass of paper will contain exactly the same percentage of mechanical pulp; so I ought to get in this paper containing 59, 60 or 61 per cent. at the lower rate of duty". But quite clearly it was not the intention of the Tariff Board, or the intention of the Legislature when the Act was passed, that people should start at 65 per cent. and then make an allowance for a big margin of error. What they meant was that importers should start at

[Sir George Rainy.]

70 per cent., and then from 70 per cent. a suitable allowance can be made. My Honourable friend Mr. Morgan has pointed out that this is not only a question of revenue, but that when you begin to get down to about 60 per cent. of mechanical pulp, you do get papers coming into India not for use by newspapers but for use by others, and these papers compete with lower grade papers made by some of the Indian mills, and particularly the mills at Lucknow and at Poona.

Mr. Abdul Matin Chaudhury: Sir, may I point out that the Tariff Board in their recent Report has said:

"On the facts as disclosed in this inquiry we are unable to find that the interests of Indian industry are seriously jeopardised by the existing arrangement."

The Honourable Sir George Rainy: Will my Honourable friend kindly give me the reference?

Mr. Abdul Matin Chaudhury: Page 97, paragraph 100.

The Honourable Sir George Rainy: Yes, Sir, I will read what the Tariff Board say:

"We do not consider that the exclusion from the protective duty of printing paper containing not less than 65 per cent. mechanical wood pulp calculated on the fibre content has caused any serious harm to the Indian industry."

I am indebted to my Honourable friend for calling my attention to it. It is only reasonable and right that he should. Still the fact remains that the original intention of the Tariff Board and the foundation of the whole thing is this that what the people mean when they talk of "newsprint" is paper which contains 70 per cent. of mechanical wood pulp. My Honourable friend Mr. Morgan has referred to the fact that that is the American definition, and there was placed in my hands yesterday a document which shows that it is also the British definition. In the new Import Duties Bill introduced in the House of Commons—in the first Schedule annexed to the Bill which is the schedule of goods exempted from the general *ad valorem* duty—the definition of newsprint is:

"Paper in rolls containing not less than 70 per cent. of mechanical wood pulp."

Well, Sir, I think in view of what the Tariff Board recommended and the reasons why they recommended it in 1925, in view of the definition adopted in the American tariff and in the new British tariff, it is not an unreasonable proposition that we should adopt the same standard. If the House passes the Bill containing this clause, the intention of Government is that standing instructions should issue to Customs officers at once that provided they are satisfied that the order was placed for a paper containing 70 per cent. of mechanical wood pulp, any differences down to 65 per cent. should be accepted as a matter of course. That I think is what in technical language is called tolerance. We shall not insist on 70 per cent. in the test because we recognise that there are difficulties of testing and difficulties of manufacture, and the standing instructions will be that down to 65 per cent. the paper will be admitted. It is quite possible also that in particular cases good grounds might be established for allowing even a larger margin, although it would not be safe to give standing instructions for a larger margin. But difficult cases of that kind do occur, and provided always that the order was given for a paper containing 70 per cent. of

mechanical wood pulp, I have no doubt that those hard cases could be met. That being so, the House will understand that it is not in the least the intention of Government to make any substantial change in the law, or rather in the practical enforcement of the law, but what we are anxious to avoid is the retention of a provision in the law which leads to the admission into India at the lower rate of duty of a paper which is definitely of a higher class than newsprint in the ordinary accepted sense. I hope I have satisfied the House that suitable instructions will in fact be issued which will prevent any danger of the duty being imposed on paper which is shown to contain, according to the tests made, over 65 per cent. of mechanical wood pulp. What we are anxious to prevent is being constantly called upon to admit paper at the lower rate of duty which contains, according to the tests, substantially less than 65 per cent. Indeed if the 65 per cent. were retained in the Act, I am afraid it might be necessary for Government to say, "As this is on the basis of an allowance of 5 per cent. having been made already it has got to be rigidly enforced, and if your sample turns out to be 63 or 62, we are very sorry but we can do nothing for you". Whereas, if we get 70 in the Act, we can make a reasonable allowance for errors in manufacture and errors in testing and in all cases as far down as 65 per cent., and in special cases possibly even lower.

Mr. A. Das: Sir, I invite the attention of the House to this fact that there was an error of 5 per cent. as mentioned in paragraph 101 of the Tariff Board's Report, and I wish the Honourable the Commerce Member would kindly look into it. I do not think the Deputy President was right in saying that the Tariff Board did not consider this question of 5 per cent. margin. With your permission, Sir, I will read the relevant portion of paragraph 101, page 97, of the Tariff Board's Report:

"The Customs Department admit that the phloroglucinol method of ascertaining fibre content originally adopted did not give satisfactory results as no allowance was made for the density or weight factor of the particular type of fibre under examination. That method has now been abandoned in favour of the Spence and Krause method and it is stated by the Customs Department that the number of contested cases has been greatly reduced and that with the 5 per cent. margin of error allowed there is no reasonable cause for complaint."

So I say they had that point of 5 per cent. margin before them. They say further:

"The importers admit the improvement in method but state that they had no information when the change was introduced and that they cannot tell when further changes may not be made without any information being given to the trade. The importers also complain of the assessment of certain classes of paper such as machine glazed pressings to the protective rate of duty. Several classes of paper were specifically mentioned by the Calcutta Paper Import Association in their evidence before us as being subject to the protective duty which in their opinion were not writing or printing papers and should therefore pay only the revenue duty. On inquiry it appears to us that some misunderstandings have arisen as to the ordinary usage of trade descriptions and as to the interpretation of the Act."

After considering all these things, they say:

"We consider that if our proposals are accepted, steps should be taken at the earliest possible opportunity after the passing of the Act by conference between the various interests concerned to specify as definitely as may be the classes of paper which are by ordinary trade usage included in the term "Printing and Writing Paper" as used in Articles 155 and 156 of the Tariff Schedule."

[Mr. A. Das.]

I therefore submit that what my friend, Mr. Daoodi, has said is perfectly correct, that the Tariff Board had before them this question of the 5 per cent. margin, and in spite of that they recommended 65 per cent. of wood pulp.

Mr. President: The question is that clause 4 be omitted.

The Assembly divided:

AYES—28.

Abdoola Haroon, Seth Haji.	Mitra, Mr. S. C.
Abdul Matin Chaudhury, Mr.	Moore, Mr. Arthur.
Anwar-ul-Azim, Mr. Muhammad.	Murtuza Saheb Bahadur, Maulvi Sayyid.
Azhar Ali, Mr. Muhammad	Neogy, Mr. K. C.
Bhuput Sing, Mr.	Parma Nand, Bhai.
Das, Mr. A.	Patil, Rao Bahadur B. L.
Das, Mr. B.	Rastogi, Mr. Badri Lal.
Dutt, Mr. Amar Nath.	Sant Singh, Sardar.
Harbans Singh Brar, Sirdar.	Shafee Daoodi, Maulvi Muhammad.
Isra, Chaudhri.	Sitaramaraju, Mr. B.
Jehangir, Sir Cowasji.	Thampan, Mr. K. P.
Lahiri Chaudhury, Mr. D. K.	Uppi Saheb Bahadur, Mr.
Lalchand Navalrai, Mr.	Ziauddin Ahmad, Dr.
Maswood Ahmad, Mr. M.	
Misra, Mr. B. N.	

NOES—53.

Abdul Qaiyum, Nawab Sir Sahibzada.	Jawahar Singh, Sardar Bahadur Sardar.
Acott, Mr. A. S. V.	Krishnamachariar, Raja Bahadur G.
Allah Baksh Khan Tiwana, Khan Bahadur Malik.	Macqueen, Mr. P.
Allison, Mr. F. W.	Morgan, Mr. G.
Azizuddin Ahmad Bilgrami, Qazi.	Mujumdar, Sardar G. N.
Bajpai, Mr. R. S.	Mukherjee, Rai Bahadur S. C.
Banerji, Mr. Rajnarayan.	Noyce, Sir Frank.
Bhargava, Rai Bahadur Pandit T. N.	Pandit, Rao Bahadur S. R.
Bhore, The Honourable Sir Joseph.	Parsons, Sir Alan.
Brown, Mr. R. R.	Rafiuddin Ahmad, Khan Bahadur Maulvi.
Chetty, Mr. R. K. Shanmukham.	Rainy, The Honourable Sir George.
Clow, Mr. A. G.	Rama Rao, Diwan Bahadur U.
Cocke, Sir Hugh.	Rangachariar, Diwan Bahadur T.
Cosgrave, Mr. W. A.	Ryan, Mr. T.
Crerar, The Honourable Sir James.	Sahi, Mr. Ram Prashad Narayan.
Dalal, Dr. R. D.	Santos, Mr. J.
DeSouza, Dr. F. X.	Schuster, The Honourable Sir George.
Fox, Mr. H. B.	Scott, Mr. J. Ramsay.
French, Mr. J. C.	Seaman, Mr. C. K.
Gidney, Lieut.-Colonel Sir Henry.	Singh, Kumar Gupteshwar Prasad.
Graham, Sir Lancelot.	Studd, Mr. E.
Gwynne, Mr. C. W.	Sukhraj Rai, Rai Bahadur.
Heathcote, Mr. L. V.	Sykes, Mr. E. F.
Howell, Sir Evelyn.	Tait, Mr John.
Ismail Ali Khan, Kunwar Hajee.	Wood, Sir Edgar.
Ismail Khan, Haji Chaudhury Muhammad.	Yamin Khan, Mr. Muhammad.
	Young, Mr. G. M.

The motion was negatived.

Clause 4 was added to the Bill.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Clause 5. The Honourable Member Mr. Bhuput Sing has given notice of an amendment* which requires the previous sanction of the Governor General. Has he obtained it?

Mr. Bhuput Sing: No, Sir.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Then he cannot move it.

The Honourable Member Mr. Bhuput Sing's next amendment† is merely consequential and cannot be moved.

The question is that clause 5 stand part of the Bill

The motion was adopted.

Clause 5 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir George Rainy: Sir, I move that the Bill be passed.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I wish to make a few observations in order to impress upon the industry the necessity of their moving in the direction in which this House has shown its indication very clearly. The House has behaved very generously towards the industry in granting the protection, because Members are impressed with the necessity of granting this protection; but at the same time the House recognises that the industry has not done all that it should in two matters, namely, in the use of bamboo pulp in the manufacture of paper and also in the matter of Indianisation, more especially in the matter of training Indians in the art of making paper and other allied technical industries. It is true, Sir, no sanction is taken under the Bill in order to see that these two conditions are enforced, but let the industry remember that when it is open to this House to pass this legislation, it is also open to this House to repeal this later on if really the conditions on which this side of the House lay so much insistence are not carried out. It is true we have not taken precautions here by way of providing any amendment enabling the executive Government to take steps to suspend the operation of this Bill in case these two conditions are not fulfilled, but at the same time, Sir, this side of the House, and I hope also the Government side, will watch this industry and see really that year after year they give progress reports showing what improvements they are making in both these directions. I hope the Government will call for such information year after year and give it to this House, and even if they do not do it, I am sure, the watchful eyes of my friends—whether I am here or not—will keep a strict vigil on these two points. Sir, I commend this Bill for the acceptance of this House and I do trust that

*In sub-clause (1) (*b*) of clause 5 for the words and figures "Rs. 45" the following be substituted:

"Rs. 45 in the first year, Rs. 60 in the second year and Rs. 75 in the third and the subsequent years."

†In sub-clause (2) of clause 5 for the figures "1939" the figures "1935" be substituted.

[Diwan Bahadur T. Rangachariar.]

Honourable Members representing the European Group will give an assurance that they are also as anxious as we are that Indianisation shall march ahead.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): Sir, I am aware that I am in a somewhat difficult position. That position is something like this:

"Satyam Bruyat" "Priyam Bruyat"
"Ma Bruyat" "Satyamapriyam"

which means "speak the truth", "speak what is pleasing", "do not speak truth if it is displeasing" but we must speak the truth, however unpleasant it may be, and I believe in speaking the truth. We have listened to all the discussion on this side, and though the wind is somewhat favourable from this side, the current is very strong against me from the side of the Government and European Group. However, I wish to make a few observations on this Bill. I fail to appreciate in what measure this country has benefited by protection to the paper industry as compared with the amount granted by this Assembly in 1925. I do not propose to criticise the fact that the original Act was passed, but where the criticism arises is that this Assembly should be asked to sanction an extension and for such a lengthy period as seven years.

To my mind, Sir, the facts that have been laid before the Tariff Board are damning. We find that instead of this industry using an ever-growing quantity of indigenous material, it has steadily reduced the same (from 25,500 tons in 1919 to 17,000 tons in 1930) and that this indigenous fibre has been replaced by foreign raw material . . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member has to speak to the motion that the Bill be passed. All these details have been fully thrashed out during the discussion which took place at earlier stages. The Honourable Member must now confine himself to supporting or opposing the Bill.

Mr. B. N. Misra: Sir, I am opposing the Bill. Sir, attention has been drawn in one of the minutes of dissent to the Report of the Select Committee to the endeavours made by the manufacturers to secure a reduction in the duty on foreign wood pulp. Sir, to my mind, this is not only significant of the intentions of the millowners but appears to me to point out a lack of faith in the future of bamboo pulp, which we have been told is so bright. Sir, may I ask: are the mills so anxious to avoid its use? Is the possibility of bamboo pulp only an excuse to grant a bounty to some favoured persons? For some favoured few they undoubtedly are. We find on an examination that out of the 40,000 tons of paper manufactured by Indian mills, no less than 34,000 tons are produced by three mills. This amounts to 85 per cent. of the total output and it is perhaps significant, in the light of matters to which I shall refer later. These three mills are in the majority owned and controlled by European firms.

An examination of the Report shows that two of these mills have been able, by means of protection, to declare very large dividends, such as 45 per cent. In this connection it is not out of place to note that in its original recommendations the Tariff Board considered that a profit of 10 per cent. on the ordinary share capital was not unreasonable and that

protection should be so devised as to bring this return to the industry. It is therefore with some astonishment that I find that, although this percentage has been greatly exceeded, the Tariff Board finds it possible to recommend the same degree of protection in the future as in the past. This is a position with which I cannot possibly agree. Protection as its name implies is for a specific purpose, and it must not be abused to the extent of enriching individuals at the expense of the country and poor taxpayers. The third mill being a private concern does not disclose any dividend—in fact, it has stressed the fact that it has not paid any. We find, however, that it has repaid Rs. 3 lakhs of a loan and has reduced its overdraft by Rs. 14 lakhs, which may be considered a very satisfactory result during six years' working.

Yet we find that in spite of these enormous profits we are asked to sanction the same amount of protection as has enabled the mills to secure these fat dividends. I am aware that I may be met with the argument that owing to the fall in cost of imported paper the need for protection is greater, but I meet that and say that costs of production in India have fallen to a great extent and that one anna a pound of paper to-day is very different from one anna a pound in 1925. As a matter of fact, it is equal to 40 per cent. on the landing cost of similar goods. No amount of argument can convince anybody that an industry, if it needs 40 per cent. protection can ever become self-supporting, and if that is the submission of the mills and the Tariff Board, I submit that it is the duty of this Assembly to reject this measure. I yield to no one in my desire for the prosperity of my country, but I do not wish that end to be accomplished by the sacrifice of the interests of many millions to a few capitalists. Moreover, I demand that, if, as the representative of the people I grant the peoples' bounty to any industry, that industry will be under an obligation to the people and must express its gratitude, that it will not only carry out honourably the intentions of this Assembly but employ part of its time to train up as many Indians as are available, so that the real object of protection may be attained. It is not the intention of the Assembly to see the continued existence of a few concerns, but the proper development of the industry to such an extent that we can easily realise the day when in certain respects India will be self-supporting. It is therefore with much pain that I have learnt that the Government of India have rejected the recommendations of the Tariff Board. The Government of India should use all the means at their command to encourage the Indian mills to educate Indians in the manufacture of paper and to afford them a greater opportunity of sharing the larger responsibilities of mill management. That is but a small return for the enormous sums that these mills are able to secure as a result of protection, and I submit that they have seriously failed in their duty. The findings of the Tariff Board leave no doubts on this point, and I am astonished to learn the interpretation which the Honourable Member for Commerce now places on the Government's intentions. It has always been my impression—and I am sure that of many other Members of this House—that in granting protection to an industry, there was an obligation placed on that industry to secure for Indians a share in the superior control. That was the opinion of the Tariff Board in 1925 and at that time it was not contradicted by Government. I submit that, unless that point is conceded, this Assembly has no interest in granting protection, particularly to the paper industry since, as I have pointed out earlier in my speech, that industry consists almost entirely—85 per cent.—of

[Mr. B. N. Misra.]

European owned and controlled firms, which, as the Tariff Board records, have made no attempt even to train up Indians.

In conclusion, Sir, I wish to summarise my remarks as follows:

Firstly, one anna per pound protection seems to be unnecessarily high, and, if needed, proves that this industry cannot become self-supporting but will always be a drain on the public for the benefit of a few individuals.

Secondly, the proposed duty on wood pulp is too low to achieve its object, as it is not sufficient to offer inducement to the mills to manufacture indigenous pulp.

Thirdly, there is no valid reason for the increase in the percentage of mechanical wood pulp in non-protected papers, and this will only lead to difficulties without advantage to the local industry.

Fourthly, I am wholly in accord with the Tariff Board's recommendations regarding Indianisation. There must be some penalty for non-observance. If the Government decline this opportunity, I consider that no further assistance whatever should be given to the mills whose operations will, in the future, as in the past be purely to their own material gain at the expense of the Indian public.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I wish to utter a serious warning to the Government and their collaborators, the capitalists, especially the European capitalists. It seems that they are playing all the time, but the time will come very soon when their play will be over, especially when a great protectionist like my Honourable friend Diwan Bahadur Rangachariar a few minutes ago warned them that this Assembly would exercise its power of repealing all protective measures if its intentions were not given effect to. I want my friends to remember the speeches which my Honourable friend delivered yesterday and the day before and the warning which he has just now given. This morning, when I was taking my morning cup of tea and reading the morning paper that comes from the Barakhamba Road on this side of the city, the special correspondent of that paper observed that this House yesterday danced to the tune of the protection jazz but the discordant note came from myself and one or two others in shape of free trade. But, Sir, the real discordant note came from that side where the editor of that paper sits. The real discordant note came when there was this wrong interpretation of fundamental rights. I know that my leader, Sir Hari Singh Gour, smashed that wrong interpretation of fundamental rights which the Honourable Sir Edgar Wood wanted to bring in in a measure where there was no discussion of questions like expropriation or fundamental rights. My friend Sir Edgar Wood said, "Do you want Indianisation by force?" I interjected, "Do you want protection by force?" No reply came. Situated as we are, irresponsible and in a minority, Government will not give effect to the very moderate suggestions made that proper facilities should be given to Indians for training in these undertakings. I need not say whether the protection is adequate or inadequate. Let them stew in their own juice and let them not come here seven years hence and say, "You gave us protection in 1925; you repeated it in 1927; you repeated it in 1932; we are not yet sufficiently fat; we want to get fatter still, so give us more protection". At that time the House will be so constituted that it will be a democratic House. I note

1 P.M.

that my friend Mr. Neogy is pessimistic, I am at times pessimistic too owing to the present political situation in the country, but for the present let me be optimistic. In that democratic House, Sir, unless its intentions are given effect to, no capitalist, be he an Indian or be he a European, can expect any protection. It has been suggested that Government could exercise control over the European investors and the Indian investors by withholding orders from them. Unfortunately the Honourable the Commerce Member did not allude to that in his reply. He would have pleaded that he was not in charge of that portfolio. My Honourable friend Sir Joseph Bhore is in charge of that department, the Stationery Department. He doles out the orders to the stationery manufacturers. My Leader, Sir Hari Singh Gour, pointed out what was the intention when the Stores Purchase Rules were drafted in 1922, to which the predecessors of the present Treasury Benches were a party. If Government were honest they would give effect to those noble principles and those rules which were almost statutory rules but they never did it. As I said yesterday, through the very fact that they are the inheritors of the East India Company, their trading instincts outweigh their political instincts.

I would like to make one further observation. I know the newsprint trade will be seriously affected. Of course it may not be the intention of the Government Benches to see that the Indian newspapers are handicapped in any way. My friend the Commerce Member said that he will not only apply the test of 75 per cent. of mechanical pulp provided in the Act, but he may go down in certain cases by 2 or 3 per cent. less. The Customs Department if they are so pleased will allow newsprint with mechanical pulp of 62 or 63 per cent. to be passed. I would suggest now that he has a majority of votes and he is going to have his Bill through, he will so frame the rules that for the first year 10 per cent. variation will be allowed, for the second year 7½ per cent. variation will be allowed and for the third year the Customs Department may insist on the 65 per cent., so that the manufacturers would adjust their manufacture and the Indian newsprint trade will not be called upon to pay heavily on one side of the business where very little money comes. Through the dispensation of my friend the Honourable the Home Member, those who edit newspapers and those who print them would always find themselves in jail, as His Majesty's guests. I hope the Government will bear these observations in mind.

Mr. G. Morgan: Mr. President, in commending this Bill to the House, I only rise to make a few remarks regarding what fell from my Honourable friend Diwan Bahadur Rangachariar. I am not taking too much on myself when I say that, so far as the opportunities for the training of Indians in the paper industry are concerned, I can give the Honourable Member an assurance that it will be proceeded with as rapidly as it is possible to do so. I am perfectly certain of another thing, and that is that the Indian paper makers and the mills will not shirk at all any inquiry that the Honourable Members might wish to make as regards the rapidity or the way in which they are carrying out the views expressed by this Honourable House. There is no necessity for me to say anything about the bamboo pulp use because that is the whole object of the Bill. Now that they are getting the protection which is needed, I can assure this House once again, as I did yesterday, that there will be rapid progress in the utilisation and manufacture of bamboo pulp.

The Honourable Sir George Rainy: I would only like to say two words. One is that I have been suitably terrorised by the prospect which my Honourable friend Mr. B. Das held out to the capitalists—*le capitaliste à la lanterne*—though I am not quite sure that the new Assembly will in fact be quite so democratic as my Honourable friend thinks. For the rest I would merely say this that I welcome, as I am sure other Members of the House welcome, the statement made by my Honourable friend Mr. Morgan, and while it will not fall to me to make the inquiries which might be suitably made in a year or two, I have not the least doubt that the Government of India will be ready to make the necessary inquiries on this point, let us say in a year or 18 months' time.

Mr. President: The question is:

"That the Bill further to amend the law relating to the fostering and development of the bamboo paper industry in British India, as reported by the Select Committee, be passed."

The motion was adopted.

The Assembly then adjourned for Lunch till Twenty Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes Past Two of the Clock, Mr. President in the Chair.

RESOLUTION *RE* DUTIES ON GALVANISED IRON AND STEEL PIPES AND SHEETS—*contd.*

Mr. President: Further consideration of the Resolution moved by the Honourable the Leader of the House and the amendment moved by Mr. Morgan.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I beg to move the amendment standing in my name:

"That for the words 'be continued for the remainder of the period of protection covered by the Steel Industry (Protection) Act, 1927, that is, up to the 31st March, 1934', the following be substituted:

'be continued up to 31st March, 1933'."

The Honourable Sir George Rainy (Member for Commerce and Railways): May I ask, Sir, if it is the intention of the Chair that all the amendments be moved at once or disposed of one after the other? I ask merely for information.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The points raised in the different amendments are so varied that I think the best procedure would be to confine the discussion to one amendment at a time. The discussion will now proceed on the original motion and Mr. Morgan's amendment.

Mr. B. Das: Then I do not move my amendment now, Sir.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Mr. President, I am not against the general principle of this Resolution; and as a matter of fact had I not received a telegram from the Secretary of the Bengal Industries Association, I would have given my silent vote for it. Now I would like to place that telegram before the House:

"Understand that Bill for import duties on galvanized sheets coming tomorrow. Tatas produce 40,000 tons out of 300,000 tons. Bengal's interest jeopardised unless Tatas are compelled to produce the whole demand. Bengal, largest consumer, does not agree till Tatas give undertaking for enlargement of production within reasonable time either by themselves or by subsidiary companies financed by Indian money and managed by Indians."

It is now too late in the day for any one to say anything against giving protection to Tatas to establish the iron industry here. As a matter of fact I fully agree that a key industry like that of steel and iron deserves all encouragement to be firmly established here, and by the results already achieved we find that Tatas produce pig iron at the cheapest rates almost in the whole world; so that is a matter on which we have to congratulate the company. But the main point that we are considering to-day is, if it is a fact that as regards galvanized iron, only a moiety of the whole consumption is manufactured by Tatas. Then the main issue that emerges is apart from giving adequate protection to the Tata Iron Industry, why the consuming public should be unnecessarily taxed. The point was very ably argued last time by my Honourable friend, the Deputy President, that the question for a bounty should be properly gone through. As regards a bounty, whenever the question is raised here, the Honourable the Leader of the House says that we are passing through very stringent financial times and he cannot think of considering questions about a bounty. Now Sir, I was reading His Excellency the Viceroy's speech delivered to us only the other day when addressing us on the opening day of the session His Excellency made the point clear that the financial position was not so bad, and I would like to recapitulate some portions of His Excellency's speech. It shows that in reality the financial condition is not so bad as it is depicted here by Sir George Rainy. As a matter of fact the Finance Bill was conceived, placed before the House and certified by Government and the country was burdened by additional taxes to the tune of another Rs. 40 crores,—so why there should be a dearth of a few lakhs to be given as bounty, if that be necessary, for such an essential industry as the corrugated iron industry, I cannot understand. As regards the financial position, I shall now quote His Excellency:

"We consider in fact that we are still justified in anticipating a surplus for the next financial year."

Later on His Excellency said:

"I can say with confidence that our economic situation in India is sound and healthy and compares most favourably with that of any other country in the world."

Still further on His Excellency said:

"I venture to assert that in no other country would you find such hopeful conditions or such grounds for encouragement. . . . .These are grounds for hope and optimism which exist in India at a time when the rest of the world is suffering under the deepest distress and depression."

[Mr. S. C. Mitra.]

Still later he says:

"When I turn from the budgetary position to what I have described as the general financial position, I find even greater signs for encouragement."

Then His Excellency says further:

"Now, gentlemen, I am very surprised to find that in the midst of all these encouraging signs, when in fact the vast masses of India whose livelihood depends on the economic position can feel a new hope and raise their heads from depression to the first signs of light on the horizon, it has been thought fit by a certain group and particularly a certain section of the Press to propagate accounts of the financial condition of India designed to cause alarm and despondency."

But unfortunately I find that it is not the Press agitators but on the contrary the Honourable the Leader of this House himself who speaks of despondency with regard to the financial situation. Sir, my main point in reading extensively from His Excellency's speech was to prove that Government themselves do not admit that they are in a very bad financial position. If that be so, then I think the best course would be for Government to follow the advice of the Honourable the Deputy President, as he expressed it very clearly in his last speech in this House during the preceding Delhi session, namely that there should be some sort of a bounty—it will cost, as he said, about 12 lakhs. Why should Government always put forward the financial stringency as a plea when a real case for bounty is established and Government have conceded that the grant of a bounty is the equitable remedy in such a case. Even in this House during the last few days we voted some additional protective duties that will bring in large sums which were not taken into account when the whole financial question was considered by this House—I mean the additional money from the wire and wire-nail protective duty that will bring in another four lakhs, and there will be more money by other Bills, the Sugar Protection Bill, the Paper Protection Bill and there may be other Protection Bills in store for the future and there will be other sources of income also. So I hope the Honourable the Leader of the House will kindly explain why the question of bounty should be ruled out altogether when that is found to be the best solution in the present case. What I mean to say is that we on this side of the House are not against giving adequate protection to the steel industry or for extending the period of protection but we urge that the question of the consumer's standpoint should not be lost sight of; that is, the question of a bounty should be seriously considered.

There was one other point raised in the last discussion by Mr. Das, namely, whether the cost of production in the Tatas can be further reduced to an appreciable extent. He asked that this point should be inquired into. I think Mr. Heathcote in his speech raised a point that it was possible to make a differentiation between various kinds of corrugated iron sheets and those that come in competition with the Tatas corrugated sheets may be differentiated and thus subjected to a lesser amount of duty. Therefore there is no reason why all avenues should not be searched to make some provision for those kinds of corrugated iron sheets which the consumers may get at a lower price. That is all I have to say on this motion.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, the discussion that we had about this time last year on a similar motion moved by the Honourable gentleman is, I daresay, fresh in the minds of Honourable Members. I observed then that the Government were really placing us in a rather awkward dilemma by means of this Resolution. This House is convinced that the protection proposed to be given for galvanised iron sheets is necessary for the development of the iron and steel industry of the country, but the method recommended by the Government places an unnecessary burden upon the consumer, a burden which is not quite commensurate with the measure of protection that is needed. This point of view was very strongly urged from this side of the House, and in response to the views expressed by us, my Honourable friend modified the Resolution that he proposed on that occasion and agreed to restrict the operation of the duty for one year only, and in the meantime he undertook to conduct investigations on the question of the possibility of helping the industry by means of a bounty. In the speech that he delivered the other day, my Honourable friend told us that Government were convinced that there was no insuperable difficulty in adopting the plan of the bounty that was recommended by us. And yet in spite of this conclusion arrived at after very careful inquiry by his officers . . . . . .

The Honourable Sir George Rainy: I said there was no insuperable administrative difficulty.

Mr. R. K. Shanmukham Chetty: Yes, I had in mind the administrative difficulty. In spite of the Government having come to the conclusion that there is no insuperable administrative difficulty in adopting a scheme of bounty, we are again told that the financial position of the country does not enable the Government to adopt this method. The result is that we again find ourselves in a dilemma. I do not think that we are now called upon to consider the question whether the iron and steel industry requires this protection to the extent proposed in the Resolution of the Government. I think that there is no difference of opinion on that point. But we are faced again with the same problem with which we were faced last year whether the plan proposed by Government is really in the best interests of the country.

Sir, I would have very much liked that Government had made up their mind to levy only that amount of duty as would enable them to give a bounty to the iron and steel industry in this connection. When the financial argument is given, I suppose, we on this side of the House must take it as conclusive. I am really, I must confess, at a loss to know what attitude I should take upon this Resolution of my Honourable friend. I cannot oppose it because I do not want that the iron and steel industry should be now left in the lurch—because I am convinced, after reading the Tariff Board's Report once again, that it will be a very serious handicap for the industry if this measure of protection is not given in the case of galvanized iron sheets. At the same time, if I am to support the Resolution, I must do so fully conscious of the fact that we are placing upon the consumer a burden which is not commensurate with the needs of the industry. I am absolutely clear in my mind on that point. But there are one or two factors which have come to my notice which I think I must mention in the course of the discussion today. My Honourable

[Mr. R. K. Shanmukham Chetty.]

friend Mr. Mitra read out a telegram in which it is mentioned that the import of galvanised sheets is about 300,000 tons per annum.

The Honourable Sir George Rainy: That was about three years ago.

Mr. R. K. Shanmukham Chetty: I was coming to that point. The production of Tatas in galvanized sheets is in the neighbourhood of 30 to 40 thousand tons per annum. Last year when we discussed this question, we proceeded on these figures. But, Sir, looking into the figures of imports, I find that in the year 1929, the total amount of imports was about 294,000 tons. In 1930 it dwindled down to 181,000 tons and in 1931 it was only 89,000 tons. Therefore, the problem today is to a certain extent different from what it was some years ago. We then had to consider whether we ought to impose this duty on 300,000 tons just for the sake of protecting an output of 40,000 tons per annum. But today the problem is not so difficult. As I have pointed out, the total import in 1931 comes to only 89,000 tons per annum, but in studying these figures I got some serious misgivings in my mind. I would like to know whether this phenomenal fall in the import of galvanised sheets is really due to the prohibitive duty that was imposed on it. We find that the production of Tatas has not really gone up considerably during this period, for I find that all through the years 1930 and 1931 it has stood on an average of 25,000 tons per annum. Do I take it, then, that the effect of this import duty has been to reduce very considerably the use of galvanized sheets here? If that is so, I think, Sir, it is a matter that the Government ought really to inquire into, because we do not want that the consumers of this article must be so seriously handicapped. The effect of this duty this year, in the light of these figures, will be something like this. We are called upon to impose an additional duty of Rs. 37 per ton on about 90,000 tons of imports. The total amount of the duty comes to about 33 lakhs of rupees per annum. The actual protection needed by Tatas will be Rs. 37 per ton on 30,000 tons of production, which means 11 lakhs of rupees. Therefore, for giving a protection to the extent of 11 lakhs of rupees, we are imposing a duty which will yield 33 lakhs of rupees. The discrepancy between these two figures was very much greater when we discussed this question last year when we went on the assumption that the import was in the neighbourhood of 300,000 tons. Then the total proceeds of the duty were over a crore of rupees, whereas the actual amount protection needed was 11 lakhs of rupees per annum. The import figure for 1931, as I said, makes this discrepancy a little less this year. But with all that the fact remains that we are called upon to impose upon the consumer of the article a burden which is not commensurate with the needs of the industry. I do not think I will say any thing more on the general aspect of the question.

I would now like to say a word about the amendment moved by my Honourable friend Mr. Morgan. He wants the duty to be reduced to Rs. 54. I take it that his object in doing that is this. According to the Tariff Board the amount of protection required by the Steel Industry is Rs. 67 per ton, whereas to this Rs. 67 is now added a surcharge of Rs. 16-12-0, making the effective duty Rs. 83-12-0. I take it that the object of my Honourable friend is to reduce the import duty, so that with the surcharge it will give the figure recommended by the Tariff Board. But,

looking at the figures of the selling price of galvanised sheets, I think that the amendment of my Honourable friend cannot be supported. Honourable Members may remember that the Tariff Board, in recommending a duty of Rs. 67 per ton, had in mind that Tatas must get a fair selling price of Rs. 236 per ton. But what do we find actually? Looking at the landed price of foreign galvanised sheets, I find for the last five months of 1931 the figures are as follows:—The landed price, including the duty, comes to in August 1931, Rs. 211·33, in September Rs. 205, in October Rs. 228·41, in November Rs. 226·75, and in December Rs. 221·50. Therefore, in spite of this additional surcharge of Rs. 16-12-0 per ton Tatas have not yet got the amount of Rs. 236 which the Tariff Board considered as a fair selling price. Therefore, the result of accepting the amendment of my Honourable friend Mr. Morgan would be still further to reduce the price realised by Tatas. As a matter of fact from the published price of Tatas with regard to the galvanised sheets, I find that they are realising on an average of Rs. 226 per ton. In the face of these figures, I think my Honourable friend Mr. Morgan cannot really make out a case for reducing the duty from Rs. 67 to Rs. 54. I must therefore oppose his amendment.

I think we will hear from Mr. Das about the other complaints that we have heard in this House regarding the management of the Tata Iron and Steel Company. As I have always said, though what my Honourable friend Mr. Das says is sometimes very bitter and very unpleasant, there is a great deal of truth in what he says. I hope that the industry that comes for protection before this House will take a warning from the criticisms given expression to by my Honourable friend Mr. Das. With regard to the management of this concern, I find that the criticisms levelled against them by friends like Mr. Das have really had the desired effect. One of our complaints used to be that in the Tata Company the overhead charges were very high as a result of employment of a great many Europeans on very high scales of pay. I find that they have made very considerable progress in reducing their overhead charges in this direction. In 1929-30, they had 125 European employees, in 1930-31 it was reduced to 110 and in 1931-32 it has still further been reduced to 84 European employees. Therefore the criticism of my Honourable friend Mr. Das has really had some effect. When you consider that this company is working in three continuous shifts of 8 hours each, it is not too much that they are employing 84 Europeans on these three shifts altogether. They have therefore made some progress in this direction. I do not think that there is anything more I wish to add. I must however say this, that if I am supporting this Resolution of my Honourable friend the Commerce Member, I am doing so with very great reluctance.

The Honourable Sir George Rainy: I find myself again in the position of not having a great deal to add to the remark which has fallen from my Honourable friend, the Deputy President, so far as this particular amendment is concerned. I pointed out in my opening speech that in effect the surcharge did no more—in fact it hardly does so much—than to make good the fall in prices which has taken place since the Tariff Board made its Report. The ground on which I asked the House to accept the amended duty, that is Rs. 67 per ton, plus the surcharge, was that a lower duty would not give the amount of protection which the Tariff Board thought that the industry ought to get. I still adhere to that ground and I cannot accept the amendment put forward by my Honourable friend. As regards

[Sir George Rainy.]

what has fallen from my Honourable friend, Mr. Chetty, I quite recognise—I have always recognized—that when we are dealing with an article like galvanised sheet, which is widely used by a number of people throughout the country who are not very rich people, there is the question whether it is not better to proceed by bounty and I made that quite plain last year. I shall be interested to hear when my Honourable friend Mr. B. Das moves his amendment what the general opinion of the House is as regards the limitation of the period. I do not want to prejudge that question at all. But for the reasons already explained to the House, we found this year that we had no alternative, if we were to give additional protection at all, no alternative but to give it by the continuance of the additional duty. That, Sir, concludes all I need say at this stage.

Mr. President: The question is:

"That at the end of the Resolution the following be added:

'Provided that the figure of Rs. 67 in the fourth column of the table appended to notification 260-T. (127), dated the 30th December, 1930, against the item 148 (*b*) Iron or Steel sheets, not fabricated, galvanized, shall be reduced to Rs. 54'."

The motion was negatived.

Mr. B. Das: With your permission, Sir, I want to move both the amendments together, for the latter is consequential to the former.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member should move the first amendment which raises a clear and definite issue.

Mr. B. Das: Sir, I move:

"That for the words 'be continued for the remainder of the period of protection covered by the Steel Industry (Protection) Act, 1927, that is, up to the 31st March, 1934' the following be substituted:

'be continued up to 31st March 1933'."

I did not mean by this amendment that I should confine the period of protection to one year. I want the matter to be subsequently investigated and then protection could be given for another year with the consent and sanction of this House. Sir, when I read the Resolution that has been drafted by my Honourable friend the Commerce Member, I felt that it was a clear case of breach of trust on his part and a breach of the assurance that he gave to this House last year. Sir, I do not wish to cover the ground which has already been covered by my friend the Deputy President and also Mr. Mitra. They have covered the grounds which I wanted to cover, but I will refer to certain salient features. Last year my Honourable friend the Commerce Member pleaded that Government were in financial difficulties and so they were not in a position to give Rs. 9 lakhs in bounties to the Tatas. And the Commerce Member also pleaded that the one crore and a few lakhs that would come thereby would go a great way to relieve the stress on his colleague the Finance Member. Then, Sir, when I read the Resolution, I felt he was going to commit us to something further; he is going to lead us to anticipate the budgetary difficulties of the Finance Member and of the Government of India for the year 1933-34. If the Government are in difficulty, they should come forward with fresh taxation, but why should they ask us

to present them under the original terms of last year's Resolution with one crore or more, or as my Honourable friend the Deputy President proved, Rs. 33 lakhs for the year 1933-34? That I cannot understand. I am not going to agree to a scheme of protection because a particular capitalist will thrive thereon and thereby assure Government of a revenue of 33 lakhs for the year 1933-34. And that is why I said it was a clear case of breach of trust on the part of the Honourable the Leader of the House.

Sir, I am indeed very grateful to my friend Mr. Chetty for recognising the honesty of conviction of some of us who want that industries should thrive and at the same time should be subjected to the criticisms of this House. And I am glad he recognised the weight of the arguments that were advanced by me and my friends in this section of the House. I am glad he brought to the notice of the Government that one of the strongest criticisms of this side of the House was for reduction in the cost of production, and Indianisation of the staff. I listened very attentively to the figures that were given by my Honourable friend and I think, I and my friends who took up that attitude and in fact we all are entitled to the greater portion of the credit for this Indianisation at the Jamshedpur Steel Works. We are entitled to say that had we not postponed the period of protection and granted this protection for one year subject to revision, the management of Tatas would never have cared to Indianise their concern. We are told that about 41 European officers have been reduced and my friend Mr. Chetty said that we shall have to take into account the triple shifts that men work so that a certain number of European staff must necessarily remain.

Mr. R. K. Shanmukham Chetty: Sir, what I said was that considering the fact that they are working in three shifts of 8 hours each, the progress made by them in the matter of reducing the European staff is satisfactory.

Mr. B. Das: What is satisfactory to my friend Mr. Chetty may not be satisfactory to me and some of my friends in this section of the House. This concern, which was started in the year 1904, could not try Indianisation till 1931 and it was only when pressure was applied publicly, that they reduced a few European posts. What were they doing these 27 years? I think there is still much scope for Indianisation. I have met some of these Indians trained in foreign countries who were offered high posts by the Directors and Managers of Tatas, but when they returned to India they were asked to accept a very small scale of salaries, and to save their own dignity they refused and they were not taken by Tatas. I have heard of instances when Indians have been taken but they were not given posts suitable to their training; and as I pointed out last year, the three schools of experts that are employed by Tatas, Germans, Americans and Englishmen, are fighting among themselves like Kilkenny cats, and the poor Indian expert is nowhere in Tatas. So while I appreciate the steps taken, I do not express my satisfaction that something has been seriously attempted. I want that in the next inquiry which will take place before December 1932, Government will also inquire into that aspect of the question. Of course, the Honourable the Commerce Member will say that he never gave any such undertaking last year when I moved my amendment to the Resolution of my Honourable friend. I

[Mr. B. Das.]

based my argument on two grounds, namely, that the cost of production is high and there is no Indianisation; and my friend the Commerce Member implied that, whatever criticism is offered on the floor of this House is taken note of in the gallery and outside, and the Tata directorate try to come up to the mark. Sir, we have heard it said on the floor of this House that when it is a matter of pounds, shillings and pence the capitalist never loosens his hold. When so much national wealth is wasted and is given to one individual concern, unless pressure is applied by Government by means of rules or certain other methods of inquiry and investigation, a true scale of Indianisation will never come about in Tatas.

Sir, last session when the Honourable the Finance Member moved his surtax on the Customs duties I gave in an amendment that there should be no surtax on protective tariff. Unfortunately I was called away on business to my own province and I had to leave. I met at the railway station one of those representatives of Tatas who usually lobby a good deal when any protective measure comes before this House. There were days when Mr. R. D. Tata of blessed memory and Mr. Peterson used to lobby a great deal, and they were great men. But this particular representative said, "Mr. Das where are you going?". I said, "I am going home". He said, "Are you going to be present on Wednesday to move your amendment?". I said "No". Then he said, "Oh, I am so glad you are going away". That is the standard of lobbying to which the present Tata Steel Co.'s management have descended when they dare not face honest criticism on the floor of this House and want that one or other of us should be absent either on personal or national work, so that we cannot offer honest criticism. But I find this time some improvement I met a very pleasant faced representative of Tatas of whom I asked various questions, and who supplied me with some information; and like my friend, Mr. Chetty, I also inquired about the cost of production and Indianisation. I also enquired about the conditions of living of the working classes; and I got a little bit more satisfaction than I got at the railway station in the month of November. In the month of November I understood that the Government deputed an officer of the Finance Department to inquire into certain aspects of questions raised last year; and when my Honourable friend the Leader of the House made his speech, I thought I would hear something about the reduction of the cost of production. But he never alluded to that; he was on his own old ground, discussing the merits of bounty or no bounty. Why could he not give this House some idea of what the special officer did in the way of reporting on the reduction in the cost of production.

3 P.M.

We have talked about Indianisation. Indianisation does not mean one Indian replacing another Indian. As my esteemed friend, Diwan Bahadur Rangachariar, told us only the other day, Indianisation means reduction in cost of production because of less salary which an Indian always accepts. I would like to know from the Leader of the House whether the Tatas have reduced their staff because the Honourable the Commerce Member—who himself happens to be the Railway Member—is not placing large orders for rails with the Tatas. He knows that. Therefore have the Tatas reduced their staff? Have they also brought about reduction in salary? Of course, my friend, Mr. Joshi, whom I do not see here now, may think of sympathetic strikes somewhere if anybody

talks of reduction in salary. But if prices have gone down and if the cost of living is cheap, every industry and even the Government ought to think of reducing salaries and not have high costs of production or deficit budgets, as is happening in the case of industries or of every Government in India. As I was saying, Government are not placing orders for steel. And in this connection I have got in my hand a very interesting letter. Government agents, especially the Military Department, do not want to buy Indian steel; in fact I asked the question of Mr. Mody—he characterised my speech the other day as being full of crude economies—I asked what Mr. Mody and his friends are doing to compel Government to buy Indian articles. He had no reply to give. Here is the C. R. E. of Quetta who insists on having nothing but British steel. They want the steel frame in the Government; I do not understand why they want British steel always for military purposes and not Indian steel. Will my friend the Leader of the House go into that aspect of the thing as to why the military do not buy Indian steel in the Quetta area—and it might be, in other areas also. I do hope the Tata directorate will bring these complaints to the notice of the Government and see that something is done. It is no use giving protection to an industry and mulcting the tax-payer because the Finance Member wants a balanced budget. It is no use to ruin the masses when their buying power is almost *nil* when Government themselves do not want to buy Indian articles, Indian steel and Indian iron. Talking of buying power, my friend the Deputy President said that the fact that 89,000 tons of galvanised sheets were imported in the year 1931 showed that the duty is exceedingly high. I think he misread the whole situation. He does not know that in Bengal, where the largest amount of galvanised sheets is used, in view of its peculiar position, where in flooded tracts the houses cannot stand and so walls and roofs are made of galvanised sheets, where the people cannot even pay their land revenue to the Government, they cannot buy even a piece of dhoti to wear on their bodies. How then can they buy galvanised sheets in excess, so that my friends, Mr. Morgan and others may get more money by trade or the Tata Company can pay more dividends to their shareholders or their European engineers?

Mr. B. V. Jadhav: (Bombay Central Division: Non-Muhammadan Rural): Purchase some shares in the Tata Co.

Mr. B. Das: My friend, Mr. Jadhav, asks me to purchase shares. On principle, being a consulting engineer, I never buy shares lest I be led into that gambling spirit for which his town, Bombay, is so very famous, where in the share bazaar millions are made and millions are lost and millions of lives are ruined.

I want to draw the attention of the Leader of the House to one aspect of the question; whether most of the galvanised sheets do not come from Germany and Belgium. If that be so, is not the exchange giving still higher protection to the Indian producer? I wanted to draw the attention of the Government to this very fact if I could have moved my amendment in November 1931 when the Supplementary Finance Bill was being discussed. Last session I could not do it; but I think my friend, Mr. Chetty, said that galvanised sheets are selling at a low price in India today. That shows efficiency in organisation of those European manufacturers. They have reduced their cost of production; they do not pay

[Mr. B. Das.]

their labour so highly as in India; they do not have redundant staff, they do not have three sets of experts—English experts, German experts and American experts; and they do not build huge palaces for their engineers and officers as anybody who goes to Jamshedpur may see. There is something radically wrong with the organisation of the Tata steel industry. If they have not been able to produce things cheaply after all these years of protection, I do not foresee any day when they will be able to do so. Even ten years ahead they will ask us to give protection on the plea that it is a key industry. Key industry for what? Because the steel and iron will supply implements for cannons, armaments and cannon balls? Is the world tending towards manufacturing cannons and armaments always? Are we going to support and protect the Tata steel industry only because in case there is a war the Government of India or the British Government will take advantage of the Tata steel industry's output? Sir, I think Government should take note of the warnings which we are giving on this side of the House and that they should insist that the Tatas should take every step to bring down their cost of production by Indianisation and other means.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, at the very outset I want to make it clear that in my opinion there is no necessity for extending this increased duty. At the same time, if Government want to favour the Tata Company and also fill its purse at the same time, then one year is quite sufficient as proposed by my friend on my right. Sir, the trouble is this that the Resolution moved by the Honourable Sir George Rainy does not recommend only the continuance of this increased duty, but it also recommends that the duties should not be reduced unless, at any time before that date, the Governor General in Council is satisfied that circumstances have changed so radically as to render the maintenance of the duties at the increased rates clearly unnecessary and undesirable, which means that my Honourable friend wants that this question should not be re-opened till the 31st March, 1934, unless we can satisfy the Governor General in Council that this increased duty is clearly unnecessary. Sir, it will not be sufficient to prove that there is no need for such protection, rather it will require that we prove that it is clearly unnecessary too. Sir, the words "clearly" and "undesirable" are clearly undesirable for Members on this side of the House. That is my first objection, Sir.

My second objection is that in 1926-27 a protection of Rs. 30 per ton was given, and at that time the landed cost was Rs. 240 per ton. Now the same landed cost had come down, as reported by the Tariff Board, to Rs. 169 per ton, *vide* page 3 paragraph 4, and they have calculated in this way, Sir:

"The resultant figure is £12-4-6 or Rs. 163 per ton. To this has to be added landing and other charges (*paragraph 86 of the Tariff Board Report of 1926*) estimated at Rs. 6 giving a total landed price of Rs. 169 per ton."

Now, Sir, according to my information most of the galvanised sheets are imported from Belgium and that country, Sir, is still on a gold basis, which means that the rupee price will be Rs. 169 *plus* one-third of that amount, because the price of gold has gone too high now, and this is the average if not the least amount which I suggest to add. According to this calculation, Sir, the landed cost will be Rs. 225 without any duty. Sir, by adding Rs. 30 to the ordinary duty this figure comes to Rs. 255. According to this calculation, Rs. 255 is the landed cost of the galvanised sheets. A fair selling price, according to the Report of the Tariff Board, *vide* page 3, paragraph 5, is Rs. 236. This is what they say:

"We have shown in the previous paragraph that the fair selling price of the Indian manufacturer as now adjusted is Rs. 236. The difference between this figure and the figure for the landed price of imported sheet, *viz.*, Rs. 67 represents the measure of protection now required."

So there is a chance of Rs. 19 profit, which comes to 8 per cent., and so there is no need for protection. My Honourable friend may say that the price of the imported material has gone down lower than what it was before, but, Sir, I will say that this question deserves to be referred to the Tariff Board again, and until that expert body again calculates and submits another Report there is no justification for this increased duty. Sir, this argument of a lower price does not stand for a moment. If the prices have gone down the surcharge has increased on the ordinary duties.

My third point is that the price of the pound has gone down, so all the foreign money converted into the English pound will become more than in previous years, and then by converting that pound into Indian rupees, it will become much more than in previous years. So the landed cost of all the imported goods from foreign countries other than England has risen very high on account of the exchange problem. But, Sir, the question of England is quite different because the exchange problem does not come in as my Honourable friend Sir George Schuster does not release our Indian money and leave it free, and so, Sir, if my Honourable friend Sir George Rainy would have wanted to protect Indian industry by means of increasing the import duty on English materials only, we would have congratulated him, but in this case his Resolution gives more protection to English goods than to Indian industries.

Sir, my fourth point is that the Government want more money from people and are in need of money. My Honourable friends on the Treasury Benches sometimes try to get it by means of surcharges; sometimes by means of supplementary Finance Bills, and sometimes in the form of protective duties, and it is for the House now to decide whether they are ready to overfill the Government's pocket or they actually want to protect the public interests.

My fifth point, Sir, is that if I admit for a moment that this Resolution will give sufficient money to millowners, then I will say that it is no justice to force the poor, half-naked and starving public to supply money at the sweet will of one or two millowners. I cannot understand why the public are forced in such hard days to fill the pockets of one or two millowners. Is it not just like out-Heroding Herod? With these words, Sir, I support the amendment and oppose the Resolution.

Mr. S. G. Jog (Berar Representative): Sir, the House will find that both Mr. Das and myself are the joint authors of the amendment before the House. The matter was discussed last year and it was thoroughly thrashed out, and so far as the principle is concerned about giving protection to the industry, that also has been decided. The only question for consideration now is whether that protection should be extended to two years or it should be restricted to only one year. Sir, when speaking on

[Mr. S. G. Jog.]

this subject last year, I remember to have said that there seems to be a particular sort of affinity between the members of the steel frame and the steel industry. I think there is something common in these elements on account of the stuff of which both are made. However, whatever that may be, I find that in the name of protection Government are trying to coerce the consumers unnecessarily, but I will pass over what has been done already. The amendment as it runs, only seeks that protection should not be given for such a long period as two years, but that it should be restricted to only one year. In fact, I see no reason why the Honourable the Commerce Member should not accept this amendment all at once, as I think that our amendment is more in order than the Resolution moved by the Honourable the Commerce Member. The Resolution moved by the Honourable the Commerce Member, to my mind, appears to be a wrong way of doing a right thing. All that we propose is that the protection should be restricted to only one year, because when next year the matter will come up before the House it will be discussed again, and we will be in a position to know what the situation is, what arrangements the Tata Company have made, whether there are any complaints against the firm, what their management is like, whether they are running the concern on economical lines, whether sufficient scope is afforded for Indianisation; all these things will be discussed, and if there any complaints, they will be brought before the House, and that will have a moral effect on the administration of the Tata Company. Sir, even as it is, we find often there is a number of complaints appearing in newspapers that labour is not treated properly, that very fat salaries are given to officials,—I am told that there are officers on the staff of the Tata Company who draw as much as Rs. 12,000 per month, the total probably of two Executive Councillors of the Government of India. If the management is run on these expensive lines, I think the Company does not deserve any protection from this House, and it is the duty of this House, before extending the period of protection, to see whether the management is carried on efficiently and economically. I do not want that a sword should be hanging over the heads of Tatas. What I mean to say is, if you give protection for only one year, it will act as a check on the administrators of the firm. That itself will have a beneficent effect on the management. Whatever other hardships there may be, I think they will be alive to redress the wrongs if there be any. That is the only object of moving this amendment. I therefore suggest that nothing will be lost by accepting this amendment. We are also alive, Sir, to the fact that the Company needs protection and everything reasonable will be done if the measure is brought before the House next year, and nothing will be lost by doing so. If the proposal is reasonable, it will be granted next year also. So, I submit that the matter should come before the House next year, and if the House is satisfied, there will be no difficulty in extending the same protection for another year. With these remarks, I support the amendment of my Honourable friend, Mr. Das, and I think it is my own amendment also.

Mr. R. K. Shanmukham Chetty: My Honourable friend the Commerce Member has in effect conceded the contention of my Honourable friend Mr. B. Das and those who think with him—he has in fact agreed with this side of the House that if financial considerations would permit, Government would probably be inclined to relieve the consumer to some extent

and help the industry partly at least by means of a bounty. It is with a view to keep alive this question of the need for relieving the consumer of the unnecessary burden that is imposed upon him that we asked the Government to amend the Resolution last year, and the discussion that we have had to-day has amply demonstrated the utility of the amendment that was carried last year. The argument that applied to last year would apply to this year also. We quite realise that in the face of the financial situation with which we are faced it is probably difficult to persuade the Government to help the industry by means of a bounty. But, Sir, it is quite possible that next year by this time we might be in a better position. I ask, why shut out this question altogether and take a decision on it once for all now? If the amendment of my Honourable friend Mr. B. Das is accepted, then the House would only express its desire that, while it is committed to giving adequate protection to Tatas, it would like to review the whole position from the point of view of the financial situation of the country. In the light of this, I would suggest that my Honourable friend the Commerce Member should accept this amendment.

The Honourable Sir George Rainy: Perhaps it might shorten the discussion if I intervened at this point. I have considered what has been said by the various speakers who have spoken, and especially what has fallen from my Honourable friend the Deputy President. In view of that, I am prepared to accept this amendment on behalf of the Government. I quite see the point made by my Honourable friend the Deputy President that the financial situation next year might be such that, even though it might not be possible to provide the whole of the protection by means of a duty, it might be possible to adjust it as between duty and bounty, and it is for that reason that I am prepared to accept this amendment.

Mr. President: The question, which I have now to put, is:

"That for the words 'be continued for the remainder of the period of protection covered by the Steel Industry (Protection) Act, 1927, that is, up to the 31st March, 1934' the following be substituted:

'be continued up to 31st March 1933'."

The motion was adopted.

Mr. President: Does Mr. B. Das wish to move the next amendment†? It is not necessary.

Mr. B. Das: If so, I do not move it, Sir.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): In view of the reasonable attitude of the Honourable the Commerce Member, I have great hope that this humble and modest amendment of mine will be accepted. My amendment runs as follows:

"That at the end of the Resolution the following be added:

'Provided that the whole of the requirements of India is produced either by the Tatas or by subsidiary companies financed by Indian money and managed by Indians and an undertaking to that effect is obtained by the end of March 1932 and immediate steps are taken for the same.

Provided also that no foreign firm is allowed to subscribe capital for working any sheet mill in India'."

†"That at the end of the Resolution the following be added:

'and that before that date the Government should make further inquiries in order to ascertain whether a system of bounties might not be substituted wholly or in part for the increased duty'."

[Mr. Amar Nath Dutt.]

Sir, the matter has been so thoroughly discussed with respect to the sheet mill of the Tatas, that I do not think that it requires any more argument to commend the amendment for the acceptance of the House. I accept the amended Resolution of the Honourable the Commerce Member for which we are grateful . . . .

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Is this quite in order now? Since the Leader of the House has accepted the last amendment—this says, provided such a thing happens by the end of 1932 . . . . .

Mr. Amar Nath Dutt: Provided the Tatas give an undertaking before the expiry of March 1932 that they will Indianise and that they will try to produce as much as possible in order to meet all the requirements of India . . . . .

Sir Cowasji Jehangir: That is within a few days now?

Mr. Amar Nath Dutt: I want an undertaking from you within these few days.

Sir Cowasji Jehangir: Not from me, I am not a Director.

Mr. Amar Nath Dutt: I mean, of course, through the President to you. I think the Honourable the Commerce Member will agree with me when I say that no one will be more happy if a state of things can be produced when the whole of the requirements of India are met by Tatas at Jamshedpur in their sheet mill,—no one will be more happy than the Honourable the Commerce Member. I would even wish that the Honourable the Commerce Member should stay here for some years. He may not be willing to do so, but for the benefit of this country, which he has so much at heart, I wish that he may stay a few years more either as Commerce Member or in some higher office. I shall be grateful if he will see his way to accept my amendment. (Laughter.) I trust and hope that the House will agree with me in desiring that the whole of the requirements of India should as far as possible be produced here. The Tatas might say that they cannot produce more than 48,000 tons of these galvanised iron sheets and pipes. If that be so, I have the authority to say that there are more than half a dozen Indian concerns who would take up the work as subsidiary concerns if only the Tatas would give them reasonable concessions in selling their iron bars. I know that they proposed to give that to a foreign firm whom they wanted to bring in in order to extend the work of the sheet mill, but it has fortunately fizzled out,—at least I am so informed, I hope it is right. I may give here the whole story if the House is not impatient. It was proposed to subscribe and realise Rs. 75 lakhs outside India, and also to get another Rs. 75 lakhs worth of abundant tools and plants from a certain country 6,000 miles away. I was further told that for this Rs. 150 lakhs somebody was to get a benefit of about Rs. 10 lakhs. That is no doubt a very big sum for an individual. (*Mr. B. Das*: "That is commission.") My friend is a business man. He knows about commission. We know about fees. Be that as it may, I think the proposal was so outrageous in its very nature that it had to be dropped. I quite sympathise with the gentleman who has been deprived of a few

lakhs, but I beg to submit that it cannot be said that this capital to increase the work of the sheet mill in India cannot be had in India. Either the Tatas may take up this work or they may ask subsidiary concerns to take it up, and I can assure the Honourable the Commerce Member that there are no less than half a dozen subsidiary concerns who are willing to take up this work. If that be so, I do not see why this Resolution in the interest of India and India's prosperity should not be accepted. In order to be sure that they will act up to their terms, I would expect that the Honourable the Commerce Member will get a promise from them by the end of March 1932. If they are really desirous of doing so, they can do it within one month.

Mr. B. V. Jadhav: Will the House be sitting then?

Mr. Amar Nath Dutt: It may be sitting even longer than that. The second part of the amendment is merely consequential. I do not think any arguments are required from me to commend this for the acceptance of the House. What I want to press upon the House is the development of Indian industries and an outlet for Indian capital. Much has been said by my friend the Deputy President about the Tatas economising. I recently paid a visit to Tatanagar, just to apprise myself of the happenings there. I found that huge salaries were being drawn not by Englishmen or Indians. I would have been glad if that had been so. They were drawn by people belonging to the other hemisphere. They are more than the salaries of provincial satraps in this country, not to speak of Honourable Members who sit on the Treasury Benches. It seemed that some of them were not satisfied with their salaries. One of them tried to impress on me that in America the President draws more than the Governor General, and that five Deputy Presidents draw more salary than the provincial satraps here, and he said that we are managing it very cheaply here. That may be their idea of cheapness, but he forgets that India is a poor country where the standard is not very high. I hope, Sir, that I shall have the support of Mr. Jadhav and Sir Cowasji when I say that, in order to benefit the shareholders, it is our earnest desire that they should economise still more. I have found that very few officers there draw less than Rs. 2,000. I was told by a particular friend of mine there that nobody travels second class there. That is the standard. Money is so cheap. They think that no human being can travel less than first class.

Mr. N. M. Joshi (Nominated Non-Official): What about the workers?

Mr. Amar Nath Dutt: I do not want to displease my friend Mr. Joshi, but I may say that it were better that India had not this concern. If he has still left in him any idea of our ancient culture, I will quote to him a few lines from a Sonnet of Rabindra Nath the poet Laureate of Asia which gives in a nut shell the ancient idea of Hindu life, which the Tatas have taken away:

"Laha taba louha lostra o prastar, he naba Savyata
Dao sai glanihin din guli, sai sandhyasnan, sai santa Samgan
Nibara dhanyer musti, balkal basan, magna koyay atmamajkey
Nitya alvchan, asimer mahatatwa guli."

[Mr. Amar Nath Dutt.]

Sir, the matter has been so thoroughly discussed with respect to the sheet mill of the Tatas, that I do not think that it requires any more argument to commend the amendment for the acceptance of the House. I accept the amended Resolution of the Honourable the Commerce Member for which we are grateful . . . .

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Is this quite in order now? Since the Leader of the House has accepted the last amendment—this says, provided such a thing happens by the end of 1932 . . . . .

Mr. Amar Nath Dutt: Provided the Tatas give an undertaking before the expiry of March 1932 that they will Indianise and that they will try to produce as much as possible in order to meet all the requirements of India . . . . .

Sir Cowasji Jehangir: That is within a few days now?

Mr. Amar Nath Dutt: I want an undertaking from you within these few days.

Sir Cowasji Jehangir: Not from me, I am not a Director.

Mr. Amar Nath Dutt: I mean, of course, through the President to you. I think the Honourable the Commerce Member will agree with me when I say that no one will be more happy if a state of things can be produced when the whole of the requirements of India are met by Tatas at Jamshedpur in their sheet mill,—no one will be more happy than the Honourable the Commerce Member. I would even wish that the Honourable the Commerce Member should stay here for some years. He may not be willing to do so, but for the benefit of this country, which he has so much at heart, I wish that he may stay a few years more either as Commerce Member or in some higher office. I shall be grateful if he will see his way to accept my amendment. (Laughter.) I trust and hope that the House will agree with me in desiring that the whole of the requirements of India should as far as possible be produced here. The Tatas might say that they cannot produce more than 48,000 tons of these galvanised iron sheets and pipes. If that be so, I have the authority to say that there are more than half a dozen Indian concerns who would take up the work as subsidiary concerns if only the Tatas would give them reasonable concessions in selling their iron bars. I know that they proposed to give that to a foreign firm whom they wanted to bring in in order to extend the work of the sheet mill, but it has fortunately fizzled out,—at least I am so informed. I hope it is right. I may give here the whole story if the House is not impatient. It was proposed to subscribe and realise Rs. 75 lakhs outside India, and also to get another Rs. 75 lakhs worth of abundant tools and plants from a certain country 6,000 miles away. I was further told that for this Rs. 150 lakhs somebody was to get a benefit of about Rs. 10 lakhs. That is no doubt a very big sum for an individual. (*Mr. B. Das*: "That is commission.") My friend is a business man. He knows about commission. We know about fees. Be that as it may, I think the proposal was so outrageous in its very nature that it had to be dropped. I quite sympathise with the gentleman who has been deprived of a few

lakhs, but I beg to submit that it cannot be said that this capital to increase the work of the sheet mill in India cannot be had in India. Either the Tatas may take up this work or they may ask subsidiary concerns to take it up, and I can assure the Honourable the Commerce Member that there are no less than half a dozen subsidiary concerns who are willing to take up this work. If that be so, I do not see why this Resolution in the interest of India and India's prosperity should not be accepted. In order to be sure that they will act up to their terms, I would expect that the Honourable the Commerce Member will get a promise from them by the end of March 1932. If they are really desirous of doing so, they can do it within one month.

Mr. B. V. Jadhav: Will the House be sitting then?

Mr. Amar Nath Dutt: It may be sitting even longer than that. The second part of the amendment is merely consequential. I do not think any arguments are required from me to commend this for the acceptance of the House. What I want to press upon the House is the development of Indian industries and an outlet for Indian capital. Much has been said by my friend the Deputy President about the Tatas economising. I recently paid a visit to Tatanagar, just to apprise myself of the happenings there. I found that huge salaries were being drawn not by Englishmen or Indians. I would have been glad if that had been so. They were drawn by people belonging to the other hemisphere. They are more than the salaries of provincial satraps in this country, not to speak of Honourable Members who sit on the Treasury Benches. It seemed that some of them were not satisfied with their salaries. One of them tried to impress on me that in America the President draws more than the Governor General, and that five Deputy Presidents draw more salary than the provincial satraps here, and he said that we are managing it very cheaply here. That may be their idea of cheapness, but he forgets that India is a poor country where the standard is not very high. I hope, Sir, that I shall have the support of Mr. Jadhav and Sir Cowasji when I say that, in order to benefit the shareholders, it is our earnest desire that they should economise still more. I have found that very few officers there draw less than Rs. 2,000. I was told by a particular friend of mine there that nobody travels second class there. That is the standard. Money is so cheap. They think that no human being can travel less than first class.

Mr. N. M. Joshi (Nominated Non-Official): What about the workers?

Mr. Amar Nath Dutt: I do not want to displease my friend Mr. Joshi, but I may say that it were better that India had not this concern. If he has still left in him any idea of our ancient culture, I will quote to him a few lines from a Sonnet of Rabindra Nath the poet Laureate of Asia which gives in a nut shell the ancient idea of Hindu life, which the Tatas have taken away:

"Laha taba louha lostra o prastar, he naba Savyata
Dao sai glanihin din guli, sai sandhyasnan, sai santa Samgan
Nibara dhanyer musti, balkal basan, magna koyay atmamajhey
Nitya alochan, asimer mahatatwa guli."

[Sir George Rainy.]

notice to undertake to raise that sum at very short notice, I trust my Honourable friend will let me have their addresses, I think I could find that useful. (Laughter.) (*Mr. B. V. Jadhav*: "For purposes of additional income-tax!") I am afraid the amendment is not likely to receive much support from this House, for indeed it embodies perhaps what is rather an aspiration than a concrete scheme. Before I sit down, Mr. President, I might perhaps refer to what has fallen from one of the two last speakers about schemes that the Tata Company may be supposed to entertain. The only information I can give is contained in the Press note published by the Tata Iron and Steel Company themselves, on the 20th February. I think it was. Probably most Honourable Members have seen it, but in case any Honourable Members have not seen it, perhaps I might read it:

"In view of the statements which have recently been made in the Press and elsewhere about the position of the Tata Iron and Steel Co., in connection with the manufacture of galvanized sheets in India, we wish to state that the company has recently made extensions of its galvanizing plant at Jamshedpur which will come into operation in about two months' time. The company will then be in a position to supply over 40 per cent. of India's requirements on the present level of consumption. (Hear, hear.) The question of the future development of the manufacture of galvanised sheets in India is under the active consideration of the Board. The company will not consider any proposal which will in any way restrict its freedom to extend its own manufacture of galvanized sheets at any time. Certain negotiations have been carried on for the sale of sheet bar to another company proposed to be established in India for the manufacture of galvanized sheets. Such negotiations, which have not fructified, did not involve any restriction on the company's own activities with regard to the manufacture of galvanized sheets or in any other respect."

I thought, Sir, that in case some Honourable Members might not have seen that Press note, it would be useful to read it to the House. That, Sir, concludes what I have to say.

Mr. President: The question is:

"That at the end of the Resolution the following be added:

'Provided that the whole of the requirements of India is produced either by the Tatas or by subsidiary companies financed by Indian money and managed by Indians and an undertaking to that effect is obtained by the end of March, 1932, and immediate steps are taken for the same.

Provided also that no foreign firm is allowed to subscribe capital for working any sheet mill in India'."

The motion was negatived.

Mr. President: I will now put the original Resolution as amended. The question is:

"This Assembly recommends to the Governor General in Council that the increased import duties imposed by Notification No. 260-T. (127) Tariffs, dated the 30th December 1930, as amended by Notification No. 260-T. (127) Tariffs, dated the 21st March 1931, in exercise of the powers conferred by section 3 (4) of the Indian Tariff Act, 1894, on galvanized iron and steel pipes and sheets for the period from the 30th December 1930, to the 31st March 1932, be continued up to the 31st March, 1933, and that the duties should not be reduced unless, at any time before that date, the Governor General in Council is satisfied that circumstances have changed so radically as to render the maintenance of the duties at the increased rates clearly unnecessary and undesirable."

The motion was adopted.

RESOLUTION *RE* HOURS OF WORK IN COAL MINES.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): Sir, I beg to move:

"This Assembly, having considered the Draft Convention limiting hours of work in coal mines adopted at the 15th Session of the International Labour Conference, recommends to the Governor General in Council that he should examine the possibility of reducing the statutory limits for hours of work in mines and that the results of this examination should be placed before this Assembly."

In moving this Resolution it is necessary for me to refer briefly to the history of this Convention and to the circumstances in which it is being placed before this House for its consideration. When the International Labour Office first raised the question of the regulation of hours of work in coal mines, it was restricted definitely to European countries and it was in this restricted form that the Convention was first placed for discussion at the 14th Conference in 1930. That restricted scope was still further emphasised by the preliminary examination of this question which was undertaken in January 1930 by representatives of the Governments, the coal-owners and the miners of only the chief European coal producing countries. When the Draft Convention came before the Conference, the attitude of our delegates acting under our instructions was one of benevolent neutrality, and this, I think, can best be described in the words of our spokesman Dr. Paranjpye who represented us on that occasion. This is what he said:

"We have taken no part in the discussions as our Government had no opportunity of considering the proposals or consulting the interests affected in India. As, however, a draft Convention has been drawn up with reference to European conditions only and is generally acceptable to the countries chiefly interested, India wishes to help those countries in securing an International understanding on a difficult and important question. It is for this reason only that the Indian Government are voting in favour of the draft Convention. This vote must not be taken to imply that the Government of India are in any way committed to ratify the draft Convention. Before they could define their attitude to the question of ratification, they would have to consider the Convention carefully in consultation with the Local Governments and the public bodies concerned."

That Convention, Sir, failed to obtain the necessary two-thirds majority and it was thereupon again placed for consideration on the agenda of the 15th Conference. But, in the meanwhile, the International Labour office had become afflicted with certain doubts as to whether it was right constitutionally to limit a Convention to a definitely circumscribed geographical area. When, therefore, the questionnaire was issued before that Convention, it, for the first time, made it clear that the Convention was intended to apply generally and was not to be limited to European countries. The Government of India were unable, in view of the very short time given them, to make the necessary inquiries in respect of that questionnaire, and like almost all non-European overseas countries, they were unable to give detailed replies. When the Draft Convention in its wider form was placed before the Conference for discussion, our attitude, as will be evident from the following quotation from Mr. Clow's speech at Geneva, was made perfectly clear. This is what Mr. Clow said:

"We refrained from taking part in the discussion in the Committee not out of any lack of sympathy with the efforts of European countries to reach a solution of this most important problem, but because we felt that, having regard to the time

[Sir Joseph Bhore.]

available we were not in a position to make a contribution of any value. For an examination of the question it would be necessary to take far more time than the Director was able to allow us. We recognise in the Convention an important achievement for Europe and we are therefore prepared to support it with our votes; but this must not be taken to mean that the Convention will be ratified by India. Personally, I regard it as unlikely that India will be able to ratify; but the Government of India will be prepared, in consultation with those best fitted to advise, to examine the Convention with a view to seeing how far its provisions can be adapted to Indian conditions. I may remind the Conference that the Indian Legislature has already reduced the hours for underground workers substantially below the limit allowed them at Washington, and the question of hours in coal mines will be re-examined in the light of the Report of the Royal Commission on Labour which will shortly be published."

I may remind the House that this question of hours of employment in coal mines has been considered by two authorities in this country, namely, a Select Committee of this House and the Royal Commission on Labour.

4 P. M. The Select Committee of this Assembly by a majority recommended, when the amending Act of 1928 was under consideration, that after that Act had been in force for three years and some experience of its working had been gained, enquiries should be made to see whether the eight-hour shift could then be introduced. That period of three years will expire in April 1933. The Royal Commission on Labour by a majority endorsed this recommendation, and the majority also made a recommendation that the weekly limit for surface workers should be reduced from 60 hours to 54 hours, which is the underground limit. The Convention goes far beyond this and adopts a $7\frac{3}{4}$ hour day. The Royal Commission on Labour gave expression to the opinion that conditions at present were inopportune for the adoption straightaway of so drastic a change as the eight hours shift. The Resolution, as now framed, will permit of a re-examination of the whole question in accordance with the recommendation of the majority of the Select Committee of this House, as endorsed by the Royal Commission on Labour, and it will also enable us to consider the connected recommendations made by the Royal Commission on Labour. Sir, I move:

Mr. President: The Resolution proposed runs:

"This Assembly, having considered the Draft Convention limiting hours of work in coal mines adopted at the 15th Session of the International Labour Conference, recommends to the Governor General in Council that he should examine the possibility of reducing the statutory limits for hours of work in mines and that the results of this examination should be placed before this Assembly."

Mr. N. M. Joshi (Nominated Non-Official): Sir, I move that at the end of the Resolution the following be added:

"at its next session."

Sir, the meaning of my amendment is that the Government of India should place the results of the examination of this question before the Simla session of the Assembly. Sir, as the Honourable Member has already explained, this Convention was passed at the last session of the International Labour Conference. The Convention provides that the hours of work should be $7\frac{3}{4}$ hours per day. In India, as the Honourable Member has explained, the hours of work for underground workers are 54 hours a week, and 12 hours a day, and for surface workers 60 hours a week. I feel that these hours of work are too long. There is no difficulty, in my humble judgment in reducing them. Three members of the Royal Commission, including a distinguished representative of British Labour, I mean my friend Mr. John Cliffe, who rendered a great service and a very distinguished service to the workers of India by his self-sacrificing and noble work on this Commission as its member. Mr. John Cliffe, Mr. Chaman Lall and myself expressed the view in the Report of the Royal Commission that it is necessary that the hours of work in Indian mines should be reduced to 48 hours a week and 8 hours a day. In the first place under the present circumstances when a man according to the law could work for 24 hours a day and for six days a week, the only limitation placed upon them is that no worker should work for more than 12 hours a day and 54 hours a week, and it becomes difficult, as the Chief Inspector of Mines has admitted, to check the number of hours worked by each miner within a week. He admits that when a man could work 24 hours a day and 6 days a week, it is very difficult to check the hours worked by each miner. It is for this reason necessary that when you have got 54 hours a week, the number of hours for each shift should also be reduced; at least the hours of work for each shift should not be more than nine hours. It was argued in the Select Committee, which considered the hours of work in mines, that if you reduce the hours of work of the miners, the wages will also be considerably reduced. We felt that there was not much force in this argument. In India, even at the present moment, there are several mines which have been working for a much less number of hours than are allowed by legislation. There are mines which work ten hours a day; there are mines which work on a shift of nine hours, there are mines which work with a shift of 8 hours a day, and it has not been shown that wages in those mines where longer hours are worked are higher than the wages in those mines where shorter hours are worked.

(At this stage, the Honourable Member Sir Frank Noyce, crossed between the speaker and the Chair.)

Mr. President: Order, order

Mr. N. M. Joshi: Therefore there is not much fear of the wages going down if the hours of work are reduced. We therefore felt the hours of work should be reduced to 48 hours a week and 8 hours a day. Now, the Convention is asking that the hours should be $7\frac{3}{4}$. The difference between the proposal which we made in the Report of the Royal Commission and the proposal of the Convention is very small. I therefore feel that there should be no difficulty in our accepting the Convention and ratifying it. But, as the Government are willing to examine this question, I do not press that they should bind themselves today to ratify the Convention. I shall be quite satisfied if they will examine the question without loss of time. I feel that, although the Select Committee which considered this question recommended that the question should be examined after three years, the Honourable Member will admit that it is now nearly two years out of those three years, and as a matter of fact it is more than three years. I may say it is nearly four years since the Bill was passed, and I feel that sufficient time has now elapsed to take up the question of examination and arrive at a decision, without much loss of time. It may be true that when the Select Committee met four years ago, they might

[Sir George Schuster.]

It is not necessary for me—indeed it would hardly be appropriate for me—to make a speech on moving this motion, as I desire to hear what will be said by Honourable Members in the House in the course of discussion. I would only like to say this, that I think I can commend this Report to the House, and although I myself had a share in its preparation, I may permit myself to say that any one who reads it will find it on this occasion to be an extremely valuable Report. For it deals, I think clearly, with one or two most important points. Before I sit down I would like to take this opportunity of acknowledging the extremely valuable assistance which I, as the official Chairman, have always received from the Public Accounts Committee. Work on the Public Accounts Committee is one of those fortunate and perhaps rare occasions on which the ordinary differences that divide us do not apply. We are always able to find that on the Public Accounts Committee we can work harmoniously together in the public interest.

Sir, I move.

Mr. Nabakumar Sing Dudhoria (Calcutta Suburbs: Non-Muhammadan Urban): Sir, one cannot but feel some amount of despair and disappointment in going through the Report of the Public Accounts Committee on the accounts of 1929-30, volume I. At the same time, Sir, I must thank those Honourable Members who at considerable trouble and sacrifice to themselves have regularly worked in that Committee for the public good and have endeavoured their best to grapple with the various problems and technicalities that came up before them. It is no doubt a privilege that we enjoy in being able to have an insight into the internal working of the various Governmental departments through working on the Public Accounts Committee, but one cannot escape the impression left in one's mind that we, the representatives of the people, are not often taken quite seriously, by some of the departments of the Government. I shall now make some observations on some specific instances that came before the Committee by way of criticism.

The Public Accounts Committee in their last year's Report recommended that the Railway Department should prepare "a simple form of report on the working of the Railways, summarising the reports of Agents, taking out the salient points therein, and bringing out the sort of features, to which the Chairman of a Public Railway Company would call attention in his speech at the annual meeting of the shareholders." The Committee also thought that "such a report might well be supplemented by simplified statistics on the one side and on the other by a note giving simple instructions as to how to interpret, and what point to look for in railway statistics."

We have not got to go far but to cast just a glance at the "Report by the Railway Board on the working of Indian Railways, Volume I, 1930-31" in order to convince us that the "presentation of a general picture for all the Railways bringing out the points of real importance in their working" has not been met.

Next, Sir, a preparation and publication of trading accounts for the Army, Ordnance and Clothing Factories and for other manufacturing or producing concerns of the Army has been systematically insisted upon by the Committee, but from the Report it appears that matters are kept in abeyance, although from the point of view of the Government and the taxpayer, it is of vital importance to ensure that the actual cost of production of articles manufactured by Government concerns is reasonable and stands public scrutiny.

Again, Sir, it was laid down distinctly by the Committee that the Finance Department should evolve an entirely satisfactory machinery to expedite and co-ordinate departmental action on the specific recommendations by the Committee. Yet the truth is that some departments have preferred to adopt a dilatory and half-hearted attitude and do not feel inclined to comply with the recommendations easily.

Also, Sir, notwithstanding the fact that the Committee has declared that the large surplus stocks of quinine held by the Central Government should be disposed of somehow, in order to fetch some money as well as to prevent their deterioration, or if that be not possible, it be distributed free in malaria-stricken areas, there is evidently no response on the part of the Government to this piece of recommendation.

Sir, I beg also to point out that as regards the Appropriation Accounts of Railways prepared by the Financial Commissioner of Railways, "there is no general picture of the financial results, no general survey of the state of the financial administration. Nor is there an analysis of the audit scrutiny conducted by the Railway Accounts Department as part of the internal check of Railway Accounts".

The Committee has also recommended that the allocation of expenditure between the electrification scheme and the other branches of the railways should be shown separately. But the recommendation has been met with opposition from the railway authorities for reasons best known to them, although they have been asked that the question should be studied scientifically by enlightening themselves with information on the subject from British railways as to how they calculate the financial results of their electrification schemes.

Again, Sir, in their loans to Provincial Governments and Indian States, the Government of India have hitherto shown an utter lack of circumspection, as it is found that the projects, for which the loan or advance was made, have either not been taken up, or have fallen far short of original estimates, and the Government now know not how to recover these loans. The case of the Bahawalpur Durbar is an instance in point. As the responsibility in such matters rests entirely with the Finance Department, that department should keep strict and proper control over them in justice and fairness.

Railway Publicity, Sir, is another of the several matters where things have not been carried on to the satisfaction of the Committee. The declaration by the Financial Commissioner that he would pursue the suggestions as to how publicity work is done abroad, in countries like Switzerland or America, does not satisfy us. It means delaying of matters and who knows not—expenditure of some good money on a wild goose chase.

Also, Sir, the subject of keeping an account of returned stores in the railways furnishes a key to how carelessly and unsystematically some departments of the railways are worked.

[Mr. N. M. Joshi.]

have thought that the period necessary for experience should be three years, but in India as we all know things move much quicker than we sometimes anticipate and expect. I therefore feel that the experience of two years is quite sufficient for Government to come to a conclusion about this question. I therefore hope that Government will not delay the examination and will place the result of their examination before the next session of the Assembly, namely, the Simla session of the Assembly. I hope my amendment will be accepted.

Mr. President: Amendment proposed:

"That at the end of the Resolution, the following be added:
'at its next session'."

Mr. Abdul Matin Chaudhury. (Assam: Muhammadan): Sir, it is a little gratifying to note that Government have given up their usual custom of moving that the Convention be not ratified and have now taken to examining the Convention. It is some improvement, and we are thankful for this little mercy; I only hope that this change from non-ratification to examination will not mean that, instead of putting it into the waste-paper basket they will be putting it on the shelf. This Convention provides that in no mine should the hours spent underground exceed 7¾ hours. In most of the European countries the statutory maximum for underground work is 8 hours. In China and Japan it is 10 hours, in India it is 12. The British Government recommended to the Conference that the hours should be reduced to 7¾. The Netherlands Government also supported them. The Governments of Germany, France and Italy recommended that the hours of work should be 7¾; France recommended that it should be 8 and the workers all demanded that the hours of work should be 7. The Conference adopted 7¾ hours. Now, Sir, the position with regard to India is this. Honourable Members are aware that the statutory maximum here is 12 hours. Mr. Lang, the officiating Chief Inspector of Mines, in the memorandum that he submitted to the Royal Commission on Labour, said that the number of hours worked in underground mines varies from 8 to 12 daily, and 54 hours weekly. The Royal Commission went very carefully into the matter. Government had the benefit of the deliberations of the Royal Commission on Labour; they have got the benefit of the discussions of the question in two successive sessions of the International Labour Conference. They had plenty of time to think over the matter because though, as Sir Joseph Bhore pointed out, in the agenda of the 14th session the question was confined only to European countries, the agenda of the 15th session reached the Government of India in November, 1930. Plenty of time has elapsed to think over the matter, and I think it is quite reasonable that they should accept Mr. Joshi's proposal to bring forward an amendment of the Act in the Simla session.

The Honourable Sir Joseph Bhore: Sir, I do not propose to follow the Honourable Members who have preceded me into a discussion of the merits of the question involved. That question must come up for consideration in connection with the later stages of the discussion which must follow from this Resolution. We are now only concerned with the question of time, the time before which the results of the inquiry should be placed before the House. In regard to that, Sir, I should have thought that even from the point of view of my Honourable friend, Mr. Joshi, he would have realised that nothing is to be gained by hurrying a consideration of this question.

I personally am of opinion that a consideration of the somewhat drastic changes involved in the Convention could not be undertaken at a time more inopportune than the present when trade, commerce and industry are in so depressed a condition. Further, I think my Honourable friend Mr. Joshi in referring to the view of the three members, who were in a minority, paid very little attention to the very specific recommendations on this point made by the majority of the Royal Commission. I need not take up the time of the House with reading in full what the majority said. The House will find this on page 125 of the Royal Commission's Report. I need only perhaps give one or two short quotations. What the majority said was this:

"For reasons given in their report the Committee" (i.e., *the Select Committee of the Legislative Assembly*) "decided to adhere to the 12-hour shift, recommending to Government that after the Act had been in force for three years the situation should again be examined to see whether an 8 hour shift could then be introduced. As the three years do not commence to run till April, 1930, we have had no opportunity of seeing the Act in operation and it is not possible therefore to say that the considerations which led the Committee to suggest an experimental period have lost their force."

They go on finally in this paragraph to say:

"While we are not prepared to say that compelling the industry to depend on this class of miners who will live near their collieries and work regularly will ultimately prove a disadvantage, we do not think that the present is the best time for a definite step in this direction. On all grounds, therefore, we endorse the recommendation of the Select Committee."

Now, Sir, I do not commit myself definitely to the position that there will be no inquiry until after April 1933. I only wish not to tie myself to any particular date, especially a date which will involve an immediate inquiry; but I will give the House this assurance, that we will allow no unnecessary or avoidable delay to occur in this matter, and I hope my Honourable friend Mr. Joshi will accept it. If he is not prepared to accept this assurance, I am afraid I must oppose his amendment.

Mr. President: The question is:

"That at the end of the Resolution, the following be added:
'at its next session'."

The motion was negatived.

Mr. President: The question is:

"That this Assembly, having considered the Draft Convention limiting hours of work in coal mines adopted at the 15th Session of the International Labour Conference, recommends to the Governor General in Council that he should examine the possibility of reducing the statutory limits for hours of work in mines and that the results of this examination should be placed before this Assembly."

The motion was adopted.

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move that the Report of the Public Accounts Committee on the accounts of 1929-30 be taken into consideration.

STATEMENT OF BUSINESS.

The Honourable Sir George Rainy (Leader of the House): With your permission, I should like to make a statement about the course of business for the week beginning the 29th February. On that day, the election of Members to the Standing Committee on Roads will take place first, and thereafter the election of Members to the Standing Advisory Committee of the Department of Education, Health and Lands. The House will then proceed to the general discussion of the Railway Budget. Tuesday the 1st, Wednesday the 2nd, Thursday the 3rd, and Friday the 4th, March, are allotted for the voting of Demands for grants, and Saturday the 5th is a gazetted holiday on which the House will not sit.

RAILWAY BUDGET FOR 1932-33.

The Honourable Sir George Rainy (Member for Commerce and Railways): It is once more my duty to present to the Assembly the Railway Budget estimate for the coming year. On this occasion no change has been made in the form of the papers to be placed in the hands of Honourable Members of sufficient importance to require separate notice. In the preparation of the budget I have, as always, received the greatest assistance from the Chief Commissioner, the Financial Commissioner and the Members and staff of the Railway Board. A special word of thanks is also due to the members to the Standing Committee on Railway Finance for the help they have given us throughout the year.

2. I have no doubt that, as on former occasions, Honourable Members when giving notice of motions for reductions in the demands will indicate briefly the questions they wish to raise. The advantages of this practice are so obvious that I need not dilate upon them.

Financial results of 1930-31.

3. The anticipations we formed a year ago as to the financial results of the working of the railways in 1930-31 were very nearly fulfilled. We expected that the loss on all the railways, both commercial and strategic, would be 5¼ crores, and that it would be necessary to withdraw nearly 11 crores from the reserve in order to pay the contribution to general revenues. The actual sum taken from the reserve exceeded the estimate by only 6 lakhs, but it is fair to add that the working expenses were nearly a crore above the figure taken in the revised estimates, this excess being counterbalanced by an increase in the arrear adjustments with the depreciation fund.

Revised estimate for 1931-32.

4. If my estimate of the financial results of 1930-31 proved to be very near the mark, the case is far otherwise with the current year. We budgeted for a heavy reduction of expenditure as a result of the economy measures which railway administrations had already started, and here our expectations have been more than fulfilled, for our working expenses are likely to be less by nearly 3 crores than the budget figure. But this result, satisfactory in itself, is far more than counterbalanced by a substantial decline in our earnings. The figures I shall give in order to explain the position are those for the commercial lines, for the loss on the strategic railways at 2 crores is very close to our estimate, and it is unnecessary to refer to them further.

5. When I presented the budget estimates for the current year to the House, I anticipated an improvement in the gross traffic receipts of about 6 crores. Of this sum, 2 crores was expected to accrue from minor alterations in rates and fares, and for the rest it was assumed that the latter part of the year would show some improvement in traffic. As Honourable Members are no doubt aware from the statement of traffic earnings which we publish weekly, our hope that the cold weather of 1931-32 would be marked by an upward tendency in trade and some relief of the prevailing economic depression has not been fulfilled. I had always believed that a change for the better might begin towards the end of September, but although that month was certainly marked by changes of a somewhat startling character—changes which may contain within them the seeds of a real trade improvement in the future—I fear it cannot be said that they have as yet resulted in any appreciable advantage to the railway revenues. Instead of being about 6 crores higher than the previous year, our net traffic earnings are lower by more than 8 crores. Both goods earnings and passenger earnings have fallen off by about 8½ per cent., and every class of traffic has been affected. It is evident that both the severity and the duration of the economic crisis through which the world is passing were underestimated a year ago and that I was over-sanguine in anticipating that the current year would find us already on the up grade.

6. The position, as disclosed in the revised estimates, compares with the budget figures as follows. We placed the total receipts at 101 crores and the total charges at nearly 98 crores, leaving a surplus for the year of 3 crores. Of this latter sum, about 2 crores would in any case have been required to meet the loss on the strategic railways and a balance of about 1 crore would have been left towards the contribution. It was recognised, therefore, that the reserves would have to be drawn upon to the extent of 4 crores in order to pay the contribution. Actually, our total receipts are now estimated at 86¼ crores and our total charges at 94 crores, so that instead of a surplus there is a deficit of 7¾ crores. This figure is raised to 9¼ crores by the loss on the strategic railways, and it becomes necessary to exhaust the balance of the reserve fund, not in order to pay a contribution to the general revenues but to meet a part of the deficit. The amount in the Reserve Fund does not exceed 5 crores, and, in order to balance the accounts, the only expedient open to us is a temporary loan of 4¼ crores from the depreciation fund. In effect this means that after paying our obligatory interest charges, the balance remaining falls short by this amount of the full allotment for depreciation.

Budget for 1932-33.

7. For the year 1932-33 we estimate that our total receipts will be 86¾ crores and the total charges 94¼ crores. The loss on the commercial lines is therefore 5½ crores, and to this must be added the loss on the strategic railways of 2 crores, the total deficit for the year being 7½ crores. As there is now no balance in the reserve fund, the whole of this sum has to be made good by a temporary loan from the depreciation fund. I ought to mention at this point that, by a change in accounting methods, both the earnings and the expenditure are higher by about 1¼ crores than they would have been under the system previously followed. This fact should be remembered when any comparison is made with the figures of the previous year.

8. Our estimate of earnings is based on the assumption that the volume of traffic will be about the same as it has been during 1931-32. The enhancements of rates and fares that have been introduced this year by particular railways and the general surcharge on coal freights should increase our earnings by

[Mr. Nabakumar Sing Dudhoria.]

Then, Sir, it is a matter of regret and surprise, that the subject of the refusal by His Majesty's Government to pay a moiety of the cost of certain diplomatic and consular establishments in Persia was let go without an investigation of the whole situation from the international law point of view. When India is a dependancy of England, the parent and principal Government should have borne the full, if not half the expenditure, in all justice and fairness.

Sir, I can go on multiplying similar instances of irregularities of accounts brought to light before the Committee, but I do not want to weary the House any longer with them.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, the Public Accounts Committee is really one of the most important committees of the Assembly because this is the only committee which can co-ordinate the expenditure in different branches of the administration of the Government of India and can suggest ways and means for securing economy. By reading the Report we find that most of the business was concentrated on reviewing the Report of the Auditor General and discussing his recommendations. I would have very much liked that this Committee should have gone still further and gone exhaustively into the expenditure and causes of deficit in our mercantile business. I thought it would be a legitimate business of this Committee to give us a vivid picture of why this Posts and Telegraphs Department is run at a very great loss; we had a loss of about a crore, last year, and of about 1½ crores this year and I have not seen the budget of the coming year but I am sure that it will be a deficit budget. I would have very much liked a small note from this Committee about the causes of these losses and suggestions as to how these losses could be avoided.

Then, we find there is a good deal of over-expenditure and deficit in the administration of railways. My friend, Mr. Dudhoria, referred to one aspect of railway expenditure, but there are several important items on which no light was ever thrown in the previous budgets of the railways. For example, the collieries. The railways have got their own collieries; but they have never given any balance sheet of this business. Nobody can say whether the coal mines run by the railways are run at a profit or at a loss. The expenditure is mixed up with so many different items that it is very difficult for the Members of the Assembly to have any true picture of the loss or income connected with these coal mines.

Then they put before us a lump sum of expenditure connected with the administration and operation of the running lines. We would have very much liked the Public Accounts Committee to go into the details of the expenditure on various lines and to give us the reasons why the expenditure ratio is different on different railways; and they ought to have suggested a kind of uniform working ratio which ought to have been applied to all.

The next question is about forests. I gave last year figures of income from forests, and I said that the Government are practically getting something like an anna per acre as profit. Then the Committee should have drawn the attention of the Government to this and discussed whether it would not be more profitable to abolish the department and give the contract to some of the good landlords and get several times more income than the Government are deriving now by direct administration.

Then, Sir, the question of loans is one of the questions which has been raised, and in this connection the most important point which, I think, this Committee ought to have discussed was the reasons for the excess of expenditure over its estimate in cases of the Sutlej Valley Canal and the Indus Canal. Sir, reference has just been made to the Bahawalpur State; and if any one will go through the proceedings, he will find that Bahawalpur was really dragged in because, without the participation of this State, the whole scheme of the Sutlej Canal could not have been completed at all; Bahawalpur State did not come in out of free will, but it was on account of the strong pressure of Government, the State took a loan to complete the whole of the Sutlej Valley scheme. Therefore, the point on which we wanted a Report was whether the expenditure incurred on these canal undertakings and also whether the excess of expenditure was justifiable or not, and whether the operation could have been undertaken, had correct estimate been made at the outset. However, we expect, Sir, that in the next Report the Committee will go into greater details of the various items of expenditure and also give some useful advice about co-ordination and economy in it.

Mr. N. M. Joshi (Nominated Non-Official): Sir, in the Public Accounts Committee's Report on page 88 there is a recommendation printed which has come down from the year 1928-29, "that Government should make sure that all cases held up pending the constitutional revision are brought under review at the first opportunity". The remark made upon this recommendation is, "This has been brought to the notice of all concerned". I remember, Sir, when I was a member of the Public Accounts Committee having discussed some important cases affecting the constitutional position of the Auditor General. One of these cases was whether the Auditor General should have direct access to the Secretary of State for India. It is quite possible that under our new constitution there may not be a Secretary of State for India; but perhaps there may be a Secretary of State for India. I am, therefore, anxious to know what proposals the Government of India have made either to the Round Table Conference or to any other authority which may be considering the constitutional question on this point—whether the Auditor General will be independent of the Government of India or will have free access to the highest authority on India,—that is one question.

There was another question which I remember to have been raised, and that was that our Auditor General in India has no control over the Auditor General who audits the accounts of the India Office and the High Commissioner's office. We have a separate Auditor General for our English organization, and that organization is not under the control of the Auditor General in India. This is really a very unsatisfactory arrangement. We want one Auditor General who will be responsible to this Legislature. At present this is not the case. The Auditor General who audits the accounts of the India Office and the High Commissioner's office presents his accounts not to the Indian Legislative Assembly but to the British Parliament. I therefore want to know, Sir, from the Government of India when they say that, "This has been brought to the notice of all concerned".—to whose notice they have brought their proposal on this point. So far as I know, they have not placed their proposals before the Legislative Assembly, but as this Legislature is one of the necessary elements in our constitution, I felt that the Government of India should have placed their proposals on this question before the Legislative Assembly.

[Sir George Rainy.]

about 1 crore, and it is only to this extent that we expect any improvement in our revenues. Both in 1930-31 and in 1931-32 our estimate of receipts proved unduly optimistic, and on this occasion we have felt it necessary to take a conservative figure. To attempt to estimate the earnings of any commercial system under the world conditions which now prevail is largely a matter of guess work, but while on the one hand I can see no definite reason for thinking that during the next twelve months the volume of business will show much expansion, on the other hand there is equally little reason for anticipating any further marked deterioration. In these circumstances, it is hardly possible to do otherwise than to take the current level of earnings as the basis of our estimate.

9. If allowance is made for the accounting change to which I have already referred, our working expenses next year are expected to be nearly 2 crores lower than in this year. Out of this sum 1½ crores is due to the emergency cut in pay, which will be in force for the whole year instead of for part of the year only. The balance is not far short of 50 lakhs, but account must also be taken of an automatic increase of 25 lakhs in the amount required for depreciation, and an increase in fuel charges by 37 lakhs owing to the surcharge on coal freight. When allowance is made for both these factors, the reduction in working expenses, apart from the cut in pay, is raised to about 1 crore. If this result is achieved, the position will not I think be unsatisfactory. It is to be remembered that by the end of the current year 400 miles of new lines will have been opened, and there is also an automatic increase in expenditure caused by the annual increments earned by the staff. These are items which raise our costs whether we will or no, and they have to be set off against the reductions in items fully under our control. But I should like to make it plain that, while we have not considered it safe to anticipate a larger reduction in expenditure as compared with the present year, there is no intention that the economy campaign should be relaxed in the slightest degree. Only the most rigid control of expenditure and insistence on economy, wherever economies are possible, can ultimately restore full solvency to the railways, and every effort will be used to bring about this result.

Capital Programme.

10. The activities of the railways on the capital side have been subjected to as close a restriction as on the revenue side. The financial circumstances of the time are such as to leave us no option, and the programme of new works has been ruthlessly pruned. The total sum provided is only 9¾ crores, of which the major portion is debitable to the depreciation fund. To cut down our development work to this extent is only possible by limiting the sums allotted for new construction to 1 crore, which will enable us very nearly to complete all the lines now under construction. By the end of next year the Sagaing bridge over the Irrawaddy will be the only unfinished item, and it will be very near completion, as the sum required for it in the following year is only 13 lakhs. So far as open line works are concerned, the only works for which any large provision has been made are the rebuilding and strengthening of certain important bridges where the work could not be postponed any longer consistently with the safety of the public. By the end of next year therefore the capital expenditure to which Government stands committed will be reduced to a very low figure, and capital expenditure can be limited strictly in accordance with the financial exigencies of the time.

11. This brings me to the end of my review of the figures included in the revised estimates for the current year and the budget estimates for 1932-33, and I have deliberately made my survey of the figures as concise as possible. It has been customary in the latter part of the budget speech to enlarge on one or other of the more important aspects of railway policy. On this occasion it will perhaps be better to keep more closely to the financial position of the railways, and to examine from a broader point of view what that position is. There is the more reason for adopting this course, because a policy of retrenchment necessarily curtails and limits any attempt to pursue an active policy of development in any direction, and for the moment many of our plans are at a standstill. It is a matter of particular regret to myself that our schemes for improving the conditions of service of our lower paid staff have been grievously retarded, but indeed the slowing up has been general and felt in all departments.

12. From the year 1922-23 up to the year 1929-30 the commercial lines had a surplus in every year and were able to make substantial contributions in aid of general revenues. In the three years from 1930-31 onwards, however, there are deficits, ascertained or estimated, amounting to 3, 7½ and 5¼ crores. These deficits can be viewed from one or other of two different points of view. In one aspect what in effect they mean is that the full amount which ought to be allocated to the depreciation fund cannot be provided owing to insufficiency of earnings. This does not mean that the railways have been unable to meet out of revenue the sums actually expended in each year in the replacement of assets, but that they have failed to provide the full sum required to be set aside if the future is to be safeguarded, and our ability ensured to meet fully out of accumulated revenues all sums required for replacements in the future. It is not an uncommon practice for commercial concerns to regulate their actual allocations to depreciation in any particular year not on theoretical grounds but on the basis of the actual results of the year's working. The mere fact therefore that our railways have not been able for three years in succession to meet out of current earnings the depreciation charges in full is not in itself an argument against their ultimate solvency, provided always there is a reasonable prospect that the unfavourable conditions will gradually pass away, so that the losses incurred in lean years may be made good in the more prosperous years which follow.

13. The other way of viewing the position is this. Ordinarily, a company railway in any country in the world would have raised part of the capital invested in the line by means of prior charges such as debentures, and another part in the form of ordinary shares. I will not complicate the comparison by referring to preference shares which might be held to fall in the one class or the other according as the dividend was cumulative or non-cumulative. When trade is depressed and railway earnings decrease, it becomes impossible to maintain the same distributions out of the balance remaining after working expenses have been covered. In that case, the ordinary dividends would first be sacrificed, the provision for depreciation would come next, and the prior charges last of all, because failure to meet them would be an act of insolvency. A State-managed railway, however, is usually in a different position, and certainly this is true of the Indian Railways. The whole of the capital has been raised in the form of what is equivalent to debentures, for the ordinary share capital of the company-managed lines is a negligible proportion of the total. It is true, therefore, to say that, before any allocation can be made for depreciation, interest has to be paid in full on the whole of the capital invested in the undertaking. The point to which I would draw attention is this, that so far as the commercial lines are concerned, if only

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one-fourth of the capital investment were in the form of ordinary shares instead of in the form of fixed interest-bearing securities, it would be possible, in each three deficit years, to meet the depreciation charges in full by means of a reduction in, or the total suspension of, the ordinary dividend. When gloomy views are sometimes expressed as to the solvency of the Indian railways, it is important, I think, to bear this aspect of the case in mind. What we have to face, even when the country is passing through the severest economic crisis which the world has yet seen, is no worse than that which an ordinary commercial undertaking has to grapple with, when all obligatory expenditure can be met in full but dividends on the ordinary shares can not be paid.

14. I may be asked, however, what about the contributions to general revenues? The obligation imposed on the railways by the Separation Convention to pay an annual contribution amounting to one per cent. of the capital at charge—subject to minor variations in amount according to the financial results of each year—can be viewed as a measure of taxation imposed on the railways, or as being in the nature of an additional distribution of profits which the taxpayer, who is, I take it, the ordinary shareholder of the undertaking, may fairly claim to receive in addition to the recoupment of the interest he himself has to pay on the money invested in the concern. I am not interested at the moment to consider which of these two views is the more accurate one, but whichever view is adopted, it is clear that when trade is suffering from acute depression, it may be impossible either to realise a tax on railway revenues or to earn any additional distribution of the nature of a dividend or bonus. This has always been recognised, and for this reason the Separation Convention provided for the accumulation of a reserve fund out of the profits of the good years, so that when the lean years came, the contribution would have been collected in advance. Three years ago when the balance in the reserve fund amounted to about 18½ crores it seemed that a sufficient fund had been accumulated to tide the railways over even a series of 3 or 4 years of bad trade. But what we have had to face during the last two years, and must continue to face in the coming year, is something much more serious than an ordinary trade depression, namely, a catastrophic decline in prices accompanied by the greatest slump in trade which the world has yet seen. It is impossible for the railways of India, or for any other commercial undertaking, to plan its financial organisation on lines which will provide adequate security against conditions of this kind. Such emergencies have to be faced as they arise, and measures taken to meet the immediate exigencies of the moment. They cannot be planned out in advance.

15. On the revenue side we have endeavoured to alleviate our difficulties by making certain increases in rates and fares, where it seemed likely that by this means additional income could be obtained. The increases made have been mainly in connection with coaching traffic, including both passenger fares and parcel rates, but about six weeks ago a surcharge of 15 per cent. was imposed on coal freights apart from shipment and bunker coal, and this is by far the most important change in goods rates. I refer especially to this increase, because I should have been most unwilling to agree to it, had the financial position of the railways been less serious than it is. I have long held the view that it is in the interests of the railways to keep coal freights at the lowest level commercially possible, because cheap coal is essential to industrial development, and industrial development means increased traffic for the railways. But on this occasion circumstances left no alternative. It could not be doubted that a higher charge, to the extent imposed, could in fact be realised without diminishing traffic, and even with the addition made, our coal freights still remain at a very low level.

16. In my budget speech last year I explained my view that no solution of our difficulties was to be found in any general increase in the level of freights and fares, and all that has occurred since then has strengthened the conviction which I then formed. Conditions being what they are, and the root cause of all our difficulties being the lack of purchasing power of the community as a whole, any general increase in freights and fares would defeat its own object. The subject which has engaged my own attention during the last year has been rather the converse question whether we might not secure increased revenue from a reduction in freights on certain commodities owing to the expansion in the volume of traffic which might follow. In particular, in accordance with the undertaking which I gave in my budget speech last year, the question of cotton freights was specially examined last autumn and was discussed with the Agents of the lines principally concerned. But I have not yet been able to satisfy myself that a freight reduction in any class of agricultural produce could be effected without a substantial loss of earnings, and as things stand to-day, such a loss could not be faced. The sole experiment we have made in this direction, namely, the reduction in the wheat freight to Karachi which was made in July last, was not so successful as to encourage us to undertake further experiments of the same kind. Owing to changes which took place shortly afterwards in the level of prices within and outside India, the export of wheat became impossible, and no increase in the volume of traffic followed, but merely a diversion of trade within India from one route to another involving an appreciable loss of revenue to the railways.

17. The question of cotton freights, as I have already said, received special attention, and had prices remained at the level which they touched at the beginning of September last, there was great reason to apprehend that the existing level of freights could not be maintained, since it was becoming doubtful whether, without a reduction, the crop would move. The departure from the gold standard, however, in that month brought about an immediate rise in cotton prices, and this tendency became subsequently still more accentuated owing to an unexpected shortage in the cotton crop, especially in the Central Provinces and Berar. With prices as they now stand, Government are satisfied that there is no danger that the cotton crop will not move, and no adequate grounds have been established for the reduction in freight. The general question, however, is one which requires constant and close observation, and I have personally drawn the attention of the Agents of the principal lines to the necessity of seeing that the matter is not overlooked.

18. Throughout the year the one subject on which the time and energies of every one connected with the Railway Department has been concentrated has been Retrenchment. Into the details of the subject I will not enter now, for Honourable Members will find full particulars of the action taken in order to bring down expenditure in the Railway Board's memorandum, and in the special memorandum which has been prepared to show the action taken on the report of the Retrenchment Sub-Committee, and no doubt I shall have opportunities of dealing with the subject when the cuts are moved. In the main, costs have been reduced not by any spectacular curtailment of activities, but by the aggregation of an immense number of small economies in every branch of the administration. This is an aspect of the case to which I drew special attention last year, and I need not dilate upon it again. I should like, however, to take this opportunity of acknowledging the very valuable services of the Railway Retrenchment Sub-Committee and to express my appreciation of the assistance we have obtained from their recommendations.

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To a very large extent we have found it possible to take action on the lines suggested, and where we have found it impossible to go quite so far as the Committee wished, we have given their views the most careful consideration before departing from them.

19. One of the recommendations of the Sub-Committee was the appointment of an expert committee to go further into the question. That was a recommendation which I welcomed, for I am convinced that the railways of India have everything to gain and nothing to lose from a review of their practices and methods by experts with railway experience in other countries. We took all steps possible to bring about the constitution of such a committee which would visit India during the current cold weather. We were disappointed, however, to find that the services of the experts whom we hoped to obtain could not be secured, and we were driven to the conclusion that the appointment of the Committee must be postponed. The object aimed at in the appointment of such a committee is of course something much more far-reaching than the mere enforcement of economy in the ordinary sense, for it may involve very considerable reorganisation of methods, and for this purpose it is necessary that the qualifications of the members should be of the highest kind. It is my earnest hope that it will be possible to arrange for the appointment of such a committee next cold weather, so that our methods of working may be reviewed by those who can speak with authority and from their knowledge of what is done elsewhere.

20. The question may be asked—what is to be the future financial position of the Indian railways and how are they to emerge from the very difficult position in which they now stand? These are questions with far-reaching implications and easier to ask than to answer, but one thing at least is certain, that since the crisis was brought about not by any circumstances peculiar to India but by economic conditions extending over the whole world, a permanent solution of the problem can be achieved only on a worldwide scale. The various countries in the world are now so closely knit together that conditions in any one country have immediate and far-reaching effects on all other countries. It would take me far beyond my proper sphere to enter into any analysis of the world conditions to which I have referred, but this perhaps may be said that, if the statesmen of the world fail to find a solution of the difficulties with which they are faced, the financial position of the Indian Railways is merely one very small item in a long list of commercial undertakings of all sorts whose very existence will be threatened.

21. This is the last occasion, Mr. President, on which I shall have the honour of submitting the Railway Budget for the consideration of this House. When I look back on the series of speeches I have delivered, I am somewhat ashamed at the prolixity with which at times I have spoken. On this occasion I have striven to be more concise, but I cannot close without paying a special tribute to all those with whom I have been associated during the last five years in the administration of the Railways of India. To all of them I owe a very deep debt, but I shall name only two, and the first is the Financial Commissioner. Sir Alan Parsons is about to quit these Benches and to transfer himself from the Railway Department and the Legislative Assembly to the Finance Department and the Council of State. I sometimes wonder whether in the dignified repose—the *otium cum dignitate*—which we naturally associate with the proceedings of the Upper House he will not sometimes look back with regret on the long series of supplementary questions with which he has had at times to grapple in this House and the genial Parliamentary ferocities with which Honourable Members opposite sometimes enliven our discussions.

I do not know how long they will linger in his memory, but in my own they are already tinged with the tender hues of regret, as of 'old unhappy, far off things and battles long ago'. But whatever I may remember, I shall not forget the days I have spent with a very faithful administrator and a very loyal colleague. (Applause.) It is a great satisfaction to me to know that he will have in Mr. Rau a worthy successor who has already proved his capacity. (Applause.)

22. The second of my associates whom I desire to name is the Chief Commissioner, Mr. Russell. To him has fallen what is perhaps the most difficult task of all, namely, to guide and administer the railways during the era of retrenchment. It is one thing to take over charge of a great commercial organisation at the beginning of a boom when money is plentiful, new schemes can be initiated and each scheme in turn seems to lead to satisfactory results, and it is another thing—and here I speak from personal experience—to take charge of such an organisation at a time when the period of prosperity has passed, or is passing, and each month seems gloomier than that which preceded it. In my first Budget speech I paid my tribute to the work which had been done by Sir Clement Hindley, and I desire now to acknowledge the value of the services Mr. Russell has been able to render at a time not of success and prosperity but of gloom and depression. Retrenchment on the railways spells discouragement on every side, the abandonment of deeply cherished hopes and ambitions—a construction programme reduced almost to negligible proportions, the indefinite postponement of all schemes of improvement, whether in traffic working, in the provision of increased amenities for the travelling public, or in improvements of the condition of the lower paid staff. It has often seemed to me as if all the work which between 1922 and 1929 was devoted to the improvement of the railway administration of India was being pulled to pieces and scrapped, and when that is the case, to avoid discouragement is not easy. It became necessary, as the trade depression intensified, to inflict real and serious hardship on all classes of railway servants, whether in the form of reductions in pay or reductions in establishment involving many discharges. Nor was it only the immediate loss which the staff had to apprehend, but also the curtailment of prospects in the future, for in every grade the number of appointments has been cut down, and in many cases hopes of promotion have been indefinitely postponed. It is in work of this kind that Mr. Russell and I have been engaged during the past year, a more unwelcome task I cannot imagine.

23. On this subject I am only going to say two things more. If you think of going out to shoot tigers, Mr. Russell is a good man to have as a companion, for if a cool head and an undaunted heart are what you want, he will see you through. The second thing I wish to say is this. If we at headquarters have had an unpleasant time but have striven to meet the crisis in the only way it can be met, what about the great body of railway servants throughout India whose lives from day to day have been profoundly affected by the policy of retrenchment—how have they met the crisis? The answer to that question can be given quite shortly and simply. From the highest ranks to the lowest they have met the emergency in the spirit of loyalty and service, carrying out the policy which circumstances have imposed upon us with unflinching resolution, and frank acceptance of what is inevitable, however unwelcome. (Applause.) If I did not pay my tribute to the way in which the great body of railway servants throughout India have passed through these critical times, I should indeed be unworthy to fill the post which I have held for the last five years. That honour and that trust are now to pass to other shoulders. But so far as I am concerned, I have no doubt at all as to the future of the Indian Railways. We cannot indeed control world conditions, and with other

[Sir George Rainy.]

countries we may be involved in a common catastrophe. But in so far as our difficulties can be combatted by our own resources, I have complete confidence that so long as our staff are imbued with the spirit they have shown during the last two years, every difficulty will be met and every obstacle overcome until the return of prosperity enables us to resume that active policy of development on which India's economic future so largely depends. (Applause.)

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE—*contd.*

Mr. President: Further consideration of the Report of the Public Accounts Committee on the Accounts for 1929-30.

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): Sir, to-day I want to draw the attention of the House to only one question, the question to which Dr. Ziauddin Ahmad referred yesterday, I mean the question of the apparent deterioration in the finances of the Posts and Telegraphs Department. More than a year ago, when speaking on the Report of the Public Accounts Committee, I had pointed out that the deficit in the Posts and Telegraphs Department was due not to any inefficiency or extravagance in the Department, but it was mainly due to certain arbitrary financial arrangements that were imposed upon the Department when it was commercialised. I now find that the Postal Accounts Enquiry Committee, of which my Leader Sir Cowasji Jehangir was the Chairman, and *on which* such eminent experts as Mr. Kaula, Controller of Civil Accounts, and Mr. Pearson of the London General Post Office were members, fully endorsed the view that I expressed on that occasion. That Committee, which was appointed on the recommendation of the Public Accounts Committee, after going carefully into the accounts of the Posts and Telegraphs Department, has come to a very remarkable conclusion. They have found that if unfair and unjustifiable charges were not saddled upon the Department when it was commercialised, the result of five years working ending in 1929-30 would have been a profit of 48 lakhs instead of a cumulative deficit of 95 lakhs. This means that for the last five years, the other Government Departments have raided the Postal exchequer to the extent of one crore and 43 lakhs. Naturally the Postal Department has shown a deficit, and retrenchment, reduction of salaries and raising the postal rates, have been put forward as the obvious and inevitable remedy. The account that was being presented from year to year showing a deficit did not represent the true picture of the financial position of the Department. It was unreal in this sense, that is represented the result of working not according to true commercial principles but under unfair conditions that were unjustifiably imposed by the Government. In previous years the Public Accounts Committee had drawn attention to the fact that, in determining the rate of contribution to the Depreciation Fund the life assigned to fixed assets of the Department were under-estimated and the rate of contribution was fixed too high. This will be evident from the fact that during six years ending in 1930-31, a sum of one crore and 87 lakhs was contributed to the Depreciation Fund, while the amount actually spent on renewal and replacement came to 51 lakhs. The Postal Accounts Enquiry Committee has recommended a revision of the length of life of

fixed assets and of the rate of contribution to the Depreciation Fund, and if Government accept that recommendation, there will be some improvement in the commercial results of the Department.

Then, Sir, about interest charges. The Government of India allowed interest on the Depreciation Fund at a lower rate than what they were charging on the Capital outlay of the Department, from 1925 to 1930. It is certainly unfair, Sir, that the Government should pay at the rate of 3·75 to 4·5 per cent. on the deposit of the Depreciation Fund, and charge them over 5 per cent. for money advanced for capital expenditure. Since 1930-31 these two rates have been equalised, but in the meantime the Postal Department has been deprived of Rs. 62 lakhs for interest on depreciation alone. When the Government have accepted the policy of equalising the two rates, I think it is only fair that the Postal Department should be reimbursed of the money that has been taken from them during these five years.

Then, Sir, about the rent of the telegraph wires. For the last five years, the Public Accounts Committee have been pressing for a speedy settlement of this question of rent that is to be realised from the Railway and Canal Departments for the telegraph wires that are leased out to them. The importance of this to the telegraph revenues will be realised from this fact, that out of the total telegraph revenue of 2 crores and 81 lakhs, 58 lakhs are realised from the rent of these wires alone. Now, Sir, this one question could not be settled in five years as to whether the annual rent of these wires should continue to be 24 per annum, as was fixed so far back as 1909 or whether it should be increased to 40 in the case of iron wires and 56 in the case of copper wires. My Honourable friend Sir Alan Parsons to whom very high compliments were paid this morning, with which I fully and whole-heartedly associate myself, is a past master in the art of obstruction (Laughter). He is an expert haggler and for the last five years he has been persistently resisting the just claims of the Posts and Telegraphs Department. The Postal Accounts Enquiry Committee at last recommended that the matter should be referred to impartial adjudication, and I think the sooner it is done the better for all concerned.

Then, Sir, there is the question of unified stamps. Under the Stamp Act, postage stamps of half anna, one anna and two anna denominations may be used for the purpose of stamp duty, and the Postal Department from the sale proceeds of their stamps make a contribution to the Provincial Governments as their share of the stamp duty. Now, Sir, in the year 1923-24 when the sale proceeds of stamps amounted to Rs. 6 crores and 80 lakhs, they contributed Rs. 19 lakhs to the provinces; in the year 1929-30 when the sale proceeds were 7 crores and 17 lakhs, they had to contribute 47 lakhs. On a previous occasion I suggested that this amount could be very appropriately reduced by at least 20 lakhs. I now find that the Postal Enquiry Committee have also come to a similar conclusion. They have not named any exact figure, but they have found that the rate of contribution is too high and unfair to the Posts and Telegraphs Department. They have recommended the introduction of separate revenue stamps for three years as a temporary measure, in order to ascertain the real basis on which the contribution to the provinces can be made. To this, Sir, I would like to add another suggestion. If at the end of three years, it is found that the Postal Department has been

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that departments did not pay proper attention to the recommendations of the Public Accounts Committee or to the suggestions made therein. Sir, I will read one or two lines about what we have recommended in paragraph 21:

"While recording our appreciation of these quarterly statements, we wish to point out that the Finance Department has yet to evolve an entirely satisfactory machinery to expedite and co-ordinate departmental action on our recommendations. Various instances came to our notice where it appeared that departments adopted a dilatory attitude in regard to our recommendations. We consider that each department should delegate the duty of scrutinising our report to a responsible officer of the department and that such office should be in close touch with the Secretary of the Public Accounts Committee throughout the year."

I draw the attention of the Government of India to this particular recommendation and I hope the Honourable the Finance Member will devise necessary machinery so that the actions of the various departments may be controlled.

In this respect the Railways are the most guilty parties. It is a very big department, of which my Honourable friend, Sir Alan Parsons, is the controller, and naturally because he has a dual function to perform—he is the financial conscience or, as my Honourable friend, Mr. Neogy, always puts it, he is the financial spirit of the Honourable Finance Member; and he is the railway spirit of the Honourable the Railway Member—so naturally Sir Alan Parsons thinks, "Well, I have appeared before the Public Accounts Committee: I have told them what I had to say. Why should I worry and why should the Railway Department worry to go over the volumes that they write, and why should we take regular action and supply all this information to the mere Secretary of the Public Accounts Committee who usually happens to be a subordinate official of the Finance Department?" Of course, as my friend the Leader of the House just now said, when Sir Alan Parsons is translated to the Upper House and assumes charge of the onerous and responsible duties of the Secretaryship in the Finance Department, he will also change his outlook towards these recommendations of the Public Accounts Committee and he will try to insist that every department, even his present pet department, the Railway Department, will conform to the rules of the Finance Department.

My friend, Mr. Nabakumar Singh Dudhoria, alluded to the present loan policy of the Government to the Provincial Governments and to Indian States; and my friend, Dr. Ziauddin Ahmad, came forward to defend a particular State, absolving that State of any responsibility for that loan and blaming some imaginary parties, whether the Central Government or the Provincial Government—I did not catch what was exactly in his mind. This problem has been agitating very much the Public Accounts Committee for the last two years; and this year we have made special recommendations. We have this year in paragraph 35 of our Report drawn the attention of Government to two aspects of the question and say:

"We desire to record our view that such an examination must be regarded as one of the most vitally important duties of the Government of India,"

This examination means about the financial success of the loan project of a Provincial Government or an Indian State—

"and that the responsibility for it should be clearly laid down so as to avoid any possibility of misunderstanding as to where it lies at all stages of the consideration of any business."

At present Provincial Governments come forward and take loans. I would like to be corrected if I am wrong, because I am not such a big financier as the Honourable the Finance Member or the Deputy President is, but what is the position? The position, as I understand it, is this. The provinces have got their capital projects. They start certain projects and want capital say 20 or 30 crores. Somehow their engineers convince the Local Legislatures about their estimates. The engineers first draw up a scheme costing say 5 or 6 crores of rupees. The Government of India have at present no machinery to examine whether these projects will be successful at all from the financial point of view. The Government of India foot the bill; the Government of India usually take short term loans for say 10, 15 or 20 years, but the Provincial Governments pay the Government of India on a distributed basis for a period of 80 years so to say, and then in the meantime the expenditure on each projects goes up from 4 or 6 crores to 20 crores. Sir, I will instance the case of the Bombay Development Scheme in your own town—Bombay. There is also the Sukkur Barrage scheme in the Bombay Presidency; there is the Sutlej Valley Scheme of the Punjab, and in each case we find that actual expenditure has been three or four times more than the original estimates. Now, who stands responsible for the design of these schemes and who stands responsible for the losses? Then we found that there is a system in practice, that if a particular project is to be carried out in three years, then all the interest charges of those three years should be added to the capital. Somehow, these engineers blunder,—I am sorry, I am an engineer,—and I am sorry for these engineers who blunder and commit the Provincial Governments in this way. If there is a scheme of 3 years, it becomes a 10 years' project, with the result that the interest gets piled up on the original expenditure, and so the loan advanced to the Provincial Governments or to a certain Indian State becomes more than it was anticipated in the beginning. Sir, these are very difficult issues and with the new constitution of Swaraj, with the Provincial Governments demanding autonomy, how is the financial control going to be exercised on provinces? How are they going to pay off their past debts to the Central Government, and how are they going to incur their future debts? Will their past loans taken from the Central Government and which they have spent on projects which will never pay, be a first charge on the revenues of the Provincial Governments? These are some of the points that agitated us. Of course, we were not the final authority even to give an opinion. We have drawn the attention of this House and of the Government of India to these points, and since the Government of India are on the point of bringing out a new constitution, they have to say how these past commitments of the Local Governments and the Indian States are going to be met, and how also future commitments will be made, and for these things rules will have to be made at the time of the constitutional settlement.

Now, Sir, the same observations apply to the Commercial Department, that big department which my friend Sir Alan Parsons controls. There is the Vizagapatam Harbour scheme. That was a pet scheme of a former

[Mr. B. Das.]

Commerce Member of this House, Sir Charles Innes. It was stated at first that this scheme would cost about 220 lakhs. Will the Honourable Member kindly give me the figures?

Sir Alan Parsons (Financial Commissioner, Railways): Our present estimate is I think about 320 lakhs.

Mr. B. Das: What was the original estimate?

Sir Alan Parsons: The original estimate was I think 2 crores 27 lakhs.

Mr. B. Das: Now, the original estimate was 2 crores 27 lakhs. I think the Commerce Department contains the best experts. If the Government of India have not got experts, I do not know how the Provincial Governments will have experts,—and this Vizagapatam Harbour scheme was designed to be completed in 5 years. It has not yet been completed, and the cost of the project is increasing. From the memoranda which the Railway Department have placed before the Public Accounts Committee, we find that the project will never pay even ·15 per cent. on the capital invested. Sir, if that be the case with the Government of India with their high salaried experts, what will not happen in the provinces? I draw the attention of this side of the House to the fact that this is only one instance. There are various other instances in the railways such as the Kangra Valley project, which was a dream of a particular Governor of the Punjab. The Governor invites a certain engineer, talks over the question to him, then the project starts. Whereas the Governor was going to spend 94 lakhs on a light railway, they have already spent about 3 crores, and the Government of India will never get any return on it. That is all the result of bad estimating, bad examination and bad control by the Finance Department and I hope suitable machinery will be devised to exercise adequate control over these matters.

Sir, last year I drew the attention of this House to the overdrawal of monthly balances by the Provincial Governments. The same thing happens with the Railway and Postal Departments as well. I find this year from the statement which the Auditor General supplied us, that most of the Governments, except the Government of Bengal and also the Government of Bihar and Orissa, have overdrawn from their monthly balances. In that respect the Burma Government is the most guilty. Last year we recommended:

"As in 1928-29, Treasury Bills were outstanding throughout the year; for the purpose *inter alia* of supplementing the central balances, the overdrawals of Burma in 1928-29 must have had the effect of increasing the borrowings of the Central Government and of increasing the interest charges borne by the Central Revenues."

And I believe when the Honourable the Finance Member rises to reply, he will also say the same thing has happened during the year 1929-30. I find the Burma Government has overdrawn for six months, in the month of August their overdraft was 1 crore 18 lakhs, and I find it went up in December to 249 lakhs, January 279 lakhs, February 288 lakhs and so on. Sir, these are alarming figures. The other day I asked a supplementary question whether these short term loans or short advances that were made to the Provincial Governments will carry interest. At the time what I had in mind was whether these overdrafts drawn by Provincial Governments to meet their temporary requirements could not be met from their reserves. Of course, if the Finance Member said that the money taken by the Provincial Governments was to bear interest, I have nothing to quarrel about, but I understand that the Provincial Governments are so much accustomed to have overdrafts that they might have in this case taken short term accommodation without paying any interest to the Government of India.

Sir, we are now discussing the Public Accounts Committee's Report just three days before we discuss the Railway Budget, and I do not like to go today into the serious irregularities and the serious situation to which attention was drawn by the Public Accounts Committee. But I would ask my friends on this side of the House to read the notes that are appended to Volume I of this Report. I regret that Volume II, the Evidence Volume, is not published, but the Honourable the Finance Member admirably summed up the feeling not only of the Public Accounts Committee but also of this House in a short statement in which he alluded to the weaknesses of the Railway Department that appeared to the Public Accounts Committee. But I will have ample time to discuss it next week and so I am not alluding to it now. I only want to ask the Honourable the Deputy President one question. The Public Accounts Committee has referred to him on a point that was brought to our attention by the Auditor General, Sir Ernest Burdon. We want to know when he, as the Chairman, made those recommendations of the Railway Retrenchment Sub-Committee on retrenchment on the railway audit side whether he had the points that were raised by the Public Accounts Committee and what his present views in the matter are.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): I would like to express my thanks to my Honourable friend Mr. B. Das and his colleagues on the Public Accounts Committee for the silent, solid and useful work that they have turned out. I must congratulate them on the thoroughness with which they have discharged their task. It is a great pity that the Report of the Public Accounts Committee has not received at the hands of this House that measure of attention and consideration which it deserves, and I hope that the interest which is now being evinced on this occasion will continue and that the House will take a real interest in the proceedings of this very useful and important Committee.

My Honourable friend Mr. B. Das has invited me to express my opinion about a very important matter which came before the Public Accounts Committee in the form of a note submitted to them by the Auditor General, which contained his remarks on the recommendations of the Railway Retrenchment Sub-Committee, over which I had the honour to preside. My intervention today is merely to express very briefly how I view the question. The matter under review is the enormous growth of expenditure on the accounts and audit departments of the railways. Honourable Members who have read the Report of the Railway Retrenchment Sub-Committee will find that in that Report, a table is given showing the growth of expenditure under accounts and audit in the Railway Department. While in 1924-25 the total expenditure incurred under these two heads was about Rs. 103 lakhs, in 1930-31 the expenditure reached the enormous figure of Rs. 151 lakhs. That is, within a course of about six years, the expenditure has increased by Rs. 47½ lakhs, or very nearly 46 per cent. Naturally the Retrenchment Sub-Committee was interested in studying the growth of expenditure in this department, and they wanted

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to devise means for reducing this expenditure if possible. In the course of our enquiry we had the very valuable assistance of the Auditor General. A few facts which came out in the enquiry are worth mentioning here. It would be observed that the increase on the State-managed railways in these two items is very much greater than on the Company-managed railways. The proportion of the cost of audit to accounts on the State-managed railways is now 16 per cent., while on the Company-managed railways it is about 10 per cent. and in the Military Department this proportion is only 4 per cent. The question naturally arose whether the amount spent on audit in the Railway Department would stand criticism from the point of view of what is a reasonable expenditure that can be incurred on audit. And the Auditor General and the Financial Commissioner of Railways, who gave us help in studying this question, concurred with the Committee that the expenditure incurred on audit was certainly very much higher than what could be justified.

I think I should remind the House on this occasion of the circumstances under which this enormous increase of expenditure came to be incurred. Honourable Members might remember that it was about the year 1927 that on the recommendation of the Standing Finance Committee for Railways . . . . .

Mr. B. Das: You were on that Committee then.

Mr. R. K. Shanmukham Chetty: . . . this House decided to continue the experiment of separating accounts from audit, and as my Honourable friend Mr. B. Das points out, I was one of those who strongly advocated the separation . . . .

Mr. B. Das: And I strongly dissented from it.

Mr. R. K. Shanmukham Chetty: And I am glad that I have lived long enough to learn the lessons of that separation. (Laughter.) It is worth while noting that when this scheme of separation of accounts from audit was placed for consideration before the Standing Finance Committee, they gave their approval under the impression that the separated scheme would really cost less than the combined scheme. It was given to the Standing Finance Committee by, I suppose, the Financial Commissioner of Railways that the new separated scheme would really cost about Rs. 1,97,000 less than the combined scheme, and the then Auditor General, Sir Frederic Gauntlett, in giving his approval for the scheme of separation, based his consent mainly on the ground of the supposed economy that would accrue. I have no doubt that when this House sanctioned the scheme of separation, they were as much actuated by the prospect of economies resulting from separation as by the advantages that were supposed to accrue as a result of separation. On the question whether from the point of view of efficient management accounts ought to be separated from audit there certainly cannot be two opinions. Those who have got experience of commercial organisation and business would very readily agree that the accounting branch of a business organisation must be more directly in touch with the executive of the department and that audit must be entirely independent and free from the control of the executive—that in theory it is wrong to combine the two under one

head. The Acworth Committee first drew the attention of the Railway Administration and the Government of India to the desirability of effecting a separation. Subsequently the inquiry conducted by Sir Arthur Dickinson also endorsed the scheme for separation, and on the recommendation of the Financial Commissioner and the Standing Finance Committee, this House finally gave its approval to the scheme of separation.

The question with which we are faced to-day is not whether on theoretical grounds it is advantageous to have accounts and audit separated, but whether under the present financial stringency, the Railway Administration can afford to bear this enormous burden. The problem with which the Railway Retrenchment Sub-Committee was faced was to decide whether it would be possible to retain the advantages of a separated scheme and also reduce costs, and if not whether it would be worth while to go back to the old system of combining both account and audit. The Railway Retrenchment Sub-Committee was convinced that it would certainly be worth while to retain the separated system, but they were very strongly of the opinion that if this system is to be retained, then a radical reduction ought to be brought about in cost. I am glad to find that in the note submitted by the Auditor General he says that:

"The greater part of the general discussion in question"—(*meaning the discussion in the Report of the Railway Retrenchment Sub-Committee*)—"is unexceptionable from my point of view and the conclusions generally flow from the technical evidence."

Therefore I contend that there is not really any fundamental difference of opinion between the attitude taken up by the Railway Sub-Committee and the views expressed by the Auditor General in the note submitted to the Public Accounts Committee. There is however room for misconception in one particular direction. When this question was discussed by the Public Accounts Committee, the Auditor General seems to have put a direct question to the members of the Public Accounts Committee whether they were prepared to assent to any substantial diminution in the information as regards railway receipts and expenditure and in the facilities for financial control which had been afforded to the Legislature under the existing system. Now when that question is asked of the members of a Committee of which Mr. B. Das is a member, it is not a matter for surprise that they gave the answer that they actually gave. Their answer to that question was decisively in the negative, more especially as they felt that even with the existing facilities, the opportunities for financial control by the Legislature over railway expenditure were not entirely adequate or satisfactory. Now, what I would like to say, is that neither myself nor any other member of the Railway Retrenchment Sub-Committee intended that, as a result of the report that we made, the financial control of this Legislature must in any extent be lessened or that the information now supplied by the Railway Administration should be curtailed. But the Auditor General seems to have said that after careful consideration, he felt no doubt that the recommendations of the Retrenchment Sub-Committee regarding railway accounts combined with the recommendations on railway audit would lead to a substantial diminution of the existing facilities for financial control and the Committee felt bound to accept the Auditor General's opinion. I am also prepared to accept the Auditor General's opinion, he being an expert in these matters, that the actual carrying out of the specific recommendations that we made might lead to this result. But, Sir, we certainly did not contemplate that it must lead

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to that result. Apart from this, I would like to inform Honourable Members that the specific recommendations that we made in this direction were not meant as cut and dried schemes for immediate adoption, but as a basis for discussion and consideration. The Committee was convinced that the expenditure now incurred on accounts and audit was not justifiable. The Committee was also convinced that there was considerable scope for effecting economies on the audit side, and so we asked the Auditor General himself to advise us as to what in his opinion must be the retrenchment measures, and he told us that, without making a full and detailed investigation, he was unable to recommend any practical scheme to effect economy, and he further told us that if he were to discharge faithfully the statutory duty imposed upon him, he could not get on under the present circumstances with any staff which is less than the staff given to him. Now, when the Auditor General said that he was not in a position, without further inquiry, to advise us specifically on these points, we had no alternative but simply to fall back upon our own wits, and we recommended for the consideration of the Auditor General and the Government certain schemes which we thought must form an excellent basis for discussion and consideration. Therefore let not Honourable Members think that the specific recommendations that we made were meant to be carried out in the form in which we recommended them. I insist, and I hope the House will also insist upon this, that the Government of India and the Railway Administration must lose no time in conducting this investigation. I am clearly convinced that the Railway Administration cannot afford to pay this heavy price for account and audit. The expenditure incurred on audit is very much higher in proportion to accounts than the corresponding expenditure in audit in any commercial organisation, and I hope therefore that the Government of India will either try to find out means of reducing the expenditure substantially, and at the same time retain the existing system, and if they find that it is impossible to effect economies under the existing system, to go back to the system of amalgamated accounts and audit.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I should like to deal first with the point raised by Mr. Chetty. Not only do I agree with him that the expenditure on audit and accounts in the Railway Department is too much, but I further believe that the expenditure under all heads in the various branches under the Government of India is too much and the elected side of the House will always urge that the Government should take steps to curtail the expenditure; but as regards the particular issue raised, we in the Public Accounts Committee merely said this:

> "These recommendations are being examined by the Government, but we were asked in connection with this examination whether we should be prepared to assent to any substantial diminution in the information as regards railway receipts and expenditure and in the facilities for financial control which have been afforded to the legislature by the existing system. After careful consideration we have to record that our answer to the specific question put to us must be decisively in the negative, more especially as we feel that even with the existing facilities the opportunities for financial control by the legislature over railway expenditure are not entirely adequate or satisfactory."

Mr. Chetty also agrees with this part of our Report. As regards the main question, I think Mr. Chetty will also concede that it is not very

fair to compare ratios of expenditure for audit of Army and Railways and so the similarity between expenditure for audit on the Army side and the railway side cannot be expected, because the railways are run on a commercial basis; while the Army expenditure is non-votable and nearly fixed. As a matter of fact the audit expenditure in those cases where commercial accounts are kept will certainly be more heavy. But if the difference in ratio is very great then the matter must, of course, be inquired into; but as regards Company-managed railways, we found by the result of test audit that the state of affairs in accounts is far from satisfactory. We recommended on more than one occasion that there should be a more thorough audit of the Company-managed railways. As a matter of fact the Public Accounts Committee were not satisfied with the amount of test audit that now obtains in the Company-managed railways. Now I like to discuss the other important point raised by my friend Mr. Joshi whether from the constitutional standpoint it would not be desirable to have a non-official Member from the Opposition to preside over the Public Accounts Committee. I know that is the rule at least in the British Parliament, but there is some practical difficulty. There, the Leaders of the Opposition also have experience of the administration; the Opposition to-day is the Government to-morrow. So the Opposition Leaders also have sufficient administrative experience to discharge the duties of the President of the Public Accounts Committee as efficiently as desired, but our difficulty at present here is that a non-official chairman lacks the experience of the day to day working of the administration and that puts him at a great disadvantage to preside over such a committee. So I agree, and though on principle my sympathies are with the views of Mr. Joshi, I agree with Mr. Das that so long as there is irresponsibility in the Central Government, the present system must continue. Fortunately for us the experience that we have of our Presidents of the Public Accounts Committees supports this view. I had the privilege of working with Sir Basil Blackett, and for a short time with Sir Bhupendra Nath Mitra, and now with Sir George Schuster, and I must say I always found that they tried to forget their official position as Finance Member when they presided over the Public Accounts Committee.

Mr. Das has dealt with almost all the major points that we raised and discussed in our Report. I shall, however, merely refer to some of the points. The first is about the Kangra Valley Railway. Here I have only one word to say. As a matter of fact the Government agreed to make an enquiry; and there was a Report by the Special Committee that investigated into the details of the Scheme, but I wondered, as I went through that Report, how it might be expected of a committee composed of the subordinates of the very same officials whose conduct was under examination to discharge their duty properly. I think, as a matter of fact, mostly the gentlemen whose conduct this Committee had to judge were at the head of the Railway Administration at that time, and the members of the Committee were subordinate engineers, who could therefore hardly be expected to be in an independent position to pass an impartial judgment. In similar cases I suggest such a committee should be composed of outside experts unconnected with the Department. There is an innovation for the future in the Public Accounts Committee for the co-option of three non-official members nominated by the Public Accounts Committee to the *ad hoc* Military Accounts Committee. At first we had some misapprehension that the Military Budget and the Appropriation Reports stood on a different

[Mr. S. C. Mitra.]

footing to other Appropriation Reports. The matter was discussed, and we found that, though the convention was gradually growing that the appropriation accounts on the Military side were sacrosanct and not to be discussed thoroughly by non-officials, in reality there was nothing in the Government of India Act or in the rules to put them on a different footing and we are grateful to the Government that they also raised no objection and they agreed to a compromise by which non-official members of the Public Accounts Committee in future will have a chance to sit on the *ad hoc* committee and go through the accounts themselves in the *ad hoc* committee.

Then the other big question that was raised by Mr. Das concerned loans to Provincial Governments. Here, as a representative coming from Bengal, I say that our Government was deprived of the opportunity to get as much money from the Central Government as some of the other Provincial Governments. Bombay has got by their Back Bay reclamation scheme and by the Sukkur Barrage scheme, several crores for their benefit. Even Madras has got for their Vizagapatam Harbour scheme several crores from the Central Government. Then in the Punjab they have got their Kangra Valley Railway scheme and their Bahawalpur State irrigation scheme. By all these schemes they borrow large sums of money from the Government of India. Then, after a few years it is found that they are not in a position to pay even the interest charges. Therefore, certainly the time will come when these debts will have to be written-off by the Central Government.

Mr. B. Das: Certainly not.

Mr. S. C. Mitra: I merely wish to put emphatically on record that my poor province alone—which moreover has had a deficit Budget of some crores almost every year—did not take the opportunity to borrow money from the Central Government for some such scheme.

Mr. B. Das: Why don't you start a gold manufacturing company on the Bay of Bengal?

Mr. S. C. Mitra: Then, I have a bigger question to raise concerning the minor Administrations. I find that all the favoured administrative units under the Government of India, the more they clamour—the more they wriggle, the more money they can get from the Central Government. For instance, somebody wants more money for the Frontier Province or the province of my Honourable friend, Diwan Bahadur Sarda, irrespective of any consideration of the question as to what is their total contribution to the Central Funds and without any consideration of the legitimate demands of their sister provinces. I think before any such demand for monetary assistance is granted, an attempt should first be made to ensure that these little provinces should be self-supporting, failing which the question of all these provinces should be taken together along with the position of the Central Government's finance and then only should a distribution be made by a subvention determining what amount of money these provinces may claim. This is the more important now because it would seem that Mr. Das is going to have a province of his own, a deficit province.

Mr. B. Das: Mine is not a deficit province; but I want the same privileges and concessions as the North-West Frontier Province wants.

Mr. S. C. Mitra: Take again the case of Sind which is surely another deficit province. All these provinces will not be in a position fully to discharge their financial responsibilities and ultimately will press the Central Government to give them some doles.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): How can you say that?

Mr. S. C. Mitra: I merely infer from the reports I have already seen that none of these provinces is expected to be self-supporting. I shall be very glad if, as Seth Haji Abdoola Haroon asserts, his province will be self-supporting. Let that, then, be the one condition on which these provinces should be allowed to have their separate existence.

I shall now finish my remarks by a reference to the position about the railway stores, particularly in the East Indian Railway at Howrah. The Director of Railway Accounts made it perfectly clear in his Report that there was a mismanagement for a long time of large sums of money covering crores of rupees, and the investigation itself required more than roughly a lakh of rupees to put affairs in a proper order. I shall now read from the last portion of the Director of Railway Audit's Report in support of my assertion:

"It transpires that the Financial Commissioner must have been seriously misinformed. Certain arrears in the Stores Accounting Branch were known to exist, and later events have shown that there must have been other serious arrears of which the Chief Accounts Officer of the time must have been unaware, or which he must have omitted to bring to notice. The Reports of Mr. Mitra before the Public Accounts Committee afford sufficient proof of this."

At this stage I do not like to take up all the questions involved in this matter. As a matter of fact, there were no regular accounts of the stores at Howrah for many years involving a large sum and that is admitted by all, but to ensure that in future there may not be such a recurrence it was suggested:

"The Auditor General informed the Committee that he had issued instructions to the Director of Railway Audit to keep in continuous touch with the accounts of the Stores, E. I. R., and he has asked the Financial Commissioner to keep Mr. Mukherji for some time on the E. I. R. in order that he may devote continuous attention to the work. The Committee agreed to the arrangement made and impressed upon Mr. Mukherji the very serious view they take of the matter."

The Committee endorsed fully the views of the Auditor General and expect Mr. Mukherji who will continue to be in charge to devote full attention to it, so that his past labours may not be lost. I should also like on this occasion to remind the Railway Administration that they should not lose sight of their duty to keep a regular account of the stores so that the public may not find themselves in jeopardy about store accounts involving more than several crores of rupees.

Sir Alan Parsons: Sir, it is only on two points that I really wish to address the House, the first being that under dispute between Mr. Das and my Honourable friend the Deputy President. I think the House will probably like to know what action we have taken so far to bring down the

[Sir Alan Parsons.]

cost of accounts and audit on Railways in conformity with the recommendations made by the Retrenchment Committee over which my Honourable friend presided. When we received their recommendations, we came to the conclusion that the first necessity was to enforce all possible economies which we could bring into force without a change in the system. As the House will see from papers we have this morning circulated with the Railway Budget, we have already adopted measures on the accounts side that are expected to yield a saving of rather over 11 lakhs a year on the basis of average cost. I think the Committee over which my Honourable friend presided suggested that the cost should be brought down by about 12 lakhs, so that we have already got very near their figure there. On the audit side, however, it is a matter of very much greater difficulty. The position there is that you cannot get a large decrease in the cost of audit unless you are prepared to have a reduction in the amount of audit check. So far, on the audit side, I understand that the Auditor General has brought in measures of economy amounting to about a lakh a year and he has instructed his Director of Railway Audit to make an investigation to see what further economies can be obtained while the present system exists. When those measures have been taken, then will be the time to consider whether the separation of accounts and audit, which was agreed upon by this House three or four years ago, should be rescinded. As I shall not be much longer connected with Railways, I should like, if I may, to give my own view on that question. I entirely agree with what my Honourable friend Mr. Chetty has said as to the relative efficiency of the two systems, and I propose, therefore, to confine myself to broad considerations of cost, and I would like to take accounts first. I do not believe that you can devise a much cheaper method of compiling your accounts than the method we have at present, and to that extent there is no difference whether accounts are separated from audit or whether they are kept together. The only difference under our present system is this. The scales of pay given to the clerks, accountants and so on in every grade from the top to the bottom in Railways are considerably lower than those which are given to the men who are under the Auditor General. Unless, therefore, the scales of pay are reduced in the departments which are now under the Auditor General, which are higher than those which we have on the Railway Accounts side, the cost of accounts will be increased by reversion to the previous system. For the rest I have to deal with audit. There is no doubt, to my mind, that if you have an internal check such as there is at present under the Financial Commissioner, namely, myself, and an external check by the Auditor General, you will have to employ a certain amount of more staff. The question really then is: how much more staff you have got to employ, and whether the admitted advantages of separation are worth the extra cost of that staff?

As I have risen to speak, I should also like to deal with a point which was raised by my Honourable friend Mr. Abdul Matin Chaudhury. I must thank him very much for his complimentary remarks about myself and especially for his description of me as an expert haggler. Sir, the ability to haggle in an expert manner is by no means a disqualification for a person whose employment is chiefly financial; but on the particular case that he mentioned as an example of expert haggling, I have a bone to pick with my Honourable friend Mr. Ryan. Until about a week ago he had given me no opportunity whatsoever to haggle about it. It was only about a week ago that the Railway Department got a claim from the Posts and Telegraphs Department on account of the cost of copper wiring amounting to about 5½ lakhs a year. I have no doubt that I could deal with that claim in a spirit of haggling in order to reduce it as far as possible; but I am sure that when we have dealt with the claim in the course of the next month or so, we shall be found to have done so in that attitude of sweet reasonableness which so distinguishes the department for which I am speaking. On the other hand we shall not be precluded from raising against our younger brother among commercial departments other claims on our own side. For example, the rates which the railways are paying for the carriage of mail were, I believe, settled before I was born and I am not at all sure whether as a commercial department we cannot expect to receive from the Postal Department the same rates as would be charged to the public. I am not quite certain therefore whether my Honourable friend, Mr. Ryan, or his supporter Mr. Abdul Matin Chaudhury, are well advised to open this question of inter-departmental adjustments. I believe myself that if the accounts were finally settled on a commercial basis, the net advantage would be very distinctly on the side of the railways.

The Honourable Sir George Schuster (Finance Member): Sir, I would like to associate myself with the speakers who have already expressed appreciation of the interest taken by the House in this debate. Perhaps it is not as keen as it may ultimately become, but we are certainly getting on; and I think the House may congratulate itself on having taken more interest this time than on the previous occasion. The motion has provided a discussion which has been not without interest and not without certain curious features. It is curious in this sense, that the subject-matter and the points which come up for discussion in the course of a motion of this kind do in a sense divide us on these Benches from each other. We have just heard an example of my Honourable friend the Financial Commissioner of Railways displaying to the House certain differences of opinion with his Honourable colleague who represents the Posts and Telegraphs Department. The curious nature of the feature goes even further, because I find myself actually arrayed against myself on certain points that come up. Indeed speaking as the Chairman of the Public Accounts Committee, I think, Sir, that properly I ought to cross the floor of the House and address you from the other side. That illustrates what is, undoubtedly, an anomaly in the present position, and I am grateful to those of my colleagues on the Public Accounts Committee who, in the course of this debate, have done me and my predecessors the honour of saying that when we preside over the Public Accounts Committee, we do our best to forget our official position and join our unofficial colleagues with great heartiness in the attack which they deliver on the representatives of the various departments of Government. I do trust that in the future, opportunities will be taken to make an useful occasion of this debate. I would put it to my Honourable friends opposite that in a debate on the Report of the Public Accounts Committee they have an admirable opportunity of raising points which are of great interest to the public, and that it is just as good an occasion as the general debate on the Budget for raising all sorts of issues for which there is no other occasion of getting a discussion in the House. I hope that as time goes on, some sort of procedure will develop for selecting one or two specially important items for discussion and for producing a really thorough discussion on those points. That

1 P.M.

[Sir George Schuster.]

is a suggestion which I venture to put to my Honourable friends opposite for their consideration. If that were done, I think the discussion might be made more useful, while it would certainly make our task on this side a great deal easier in replying. The discussion has ranged over a number of subjects and, though I should like to deal with them all, I think the best and the most useful general reply that I can give is to say that the reports of this debate will receive most careful consideration and that we, in the Finance Department, will take the opportunity of points having been raised in the debate in this House for bringing them again to the notice of the various departments concerned.

Having made that observation, I do not think that it is necessary for me to go in detail into the whole list of points that were raised. But there are one or two points that have been mentioned this morning on which perhaps I might say something. My Honourable friend Mr. Abdul Matin Chaudhury referred to the Report of the Committee on the accounts of the Posts and Telegraphs Department, and expressed his appreciation of their having arrived at conclusions which were very much in agreement with the views which he himself had put forward in the past. He hoped that Government were going to accept those conclusions. I should like to inform him that on a number of points we have reached agreement and are prepared to accept the conclusions of that Committee. For example, a particular point which he raised referred to the percentage for pension contribution having been fixed too high and having been found on further acturial calculation to be capable of reductions by one per cent. in order to give a proper figure. That is a recommendation which we have accepted, and we have gone so far as to re-credit the Posts and Telegraphs Department with the arrears which they have over-paid since the accounts were started on the present basis. There is, however, one important recommendation on which we are still in the stage of consideration and discussion. That being so, I do not want to say much about it. But as it is the recommendation which has most effect on the financial results, I should like to put to the House my own difficulty about it. My difficulty is this: that the proposal really amounts to creating a fictitious balance in the Depreciation Fund of 8½ crores, which is supposed to represent the arrears which should have accumulated in that Fund at the time when the present system of accounts was started; and the proposal of the Public Accounts Committee amounts to this, that the Government should treat the Department as having borrowed that money at a rate of about 3·3 per cent. in past years and should then credit them with the full 8½ crores and allow them the current rate of interest which is rather over six per cent. Now, looking at it from the financial point of view,—and, I admit that there is a good deal to be said about it on both sides,—but looking at it purely from a financial point of view, that struck me as an imaginary reconstruction of the past which would be, I believe my Honourable friend will admit, very favourable to the Posts and Telegraphs Department, indeed which, according to my present view, I must myself describe as almost incredibly favourable to them. I will not say anything more at present on that, but I wished to take the opportunity of informing my Honourable friend who is interested in this matter how it stands at present.

There is one thing more I would say on this subject and it is this, that we have undertaken with the Public Accounts Committee that if on any

point we differ from the recommendations of Sir Gowasji Jehangir's Committee, we will put before the Public Accounts Committee our views on the subject and give them an opportunity of discussing it and possibly of persuading us to alter those conclusions. Therefore, the Public Accounts Committee will be kept fully in touch with the matter until final conclusions are reached.

There is only one other point which I should like to refer to, and I do so because it is of such very great importance. It has been referred to by several speakers and it is the question of the loan policy of the Government and the control which is exercised over capital expenditure, or rather over the decisions to advance money for capital expenditure projects undertaken either by Provincial Governments or by Indian States in connection with which they have to come to the Central Government for funds. I should like to say this, that I regard it as one of the most important questions in the whole field of finance and one in which it is most important that the arrangements for the future should be properly regulated. Budgetary questions and budgetary control are matters which are well understood. There is a proper machinery for dealing with them and every popular Assembly is familiar with methods for checking ordinary recurring revenue and expenditure. But capital expenditure, which often covers much larger sums and the effects of which are felt for many years, capital expenditure is often undertaken without coming under the purview of the popular representatives and sometimes leads to results which are often discovered too late in order to remedy the evils which have been accomplished. Many a country has gone wrong not because it has failed to balance its ordinary budgetary revenue and expenditure, but because it has got committed to an unwise programme of capital expenditure. Therefore, this is in itself a very important question and it raises very difficult issues as between a Central Government, whether it be a Federal Government or a Unitary Government, and the Provinces which work under it, whether they be units in a federation or subordinate governments, it raises extremely difficult questions and those questions will be questions of great difficulty in India. Therefore in calling the attention of the House to this matter, those speakers who have dealt with it have I think done a public service. I do not think that I can add much to the recommendation that we ourselves have made in the Public Accounts Committee on this matter. It so happens that all the problems and difficulties which are likely to come up in connection with this matter refer to projects which were started many years ago, and therefore I am at least in the fortunate position of not being personally responsible for those particular difficulties. But I wish rather to look to the future and I do feel that we have not yet evolved an entirely adequate machinery for checking capital expenditure projects. It may be said that this is not necessarily the business of the Central Government which merely is concerned with advancing the money and will not be concerned with the actual effect of the projects which are undertaken. But projects may become of such a magnitude that if they fail to carry out expectations, if for example the capital that is required for completing them is very much larger than was originally anticipated or if the yield which is drawn from them is very much smaller than was anticipated, they may become of such magnitude as to affect the whole financial position of the borrowing authority, and in that case it will not have been enough for the Central Government to satisfy itself that the borrowing authority itself was solvent, but it

been clamouring for the establishment of the highest court, *i.e.*, the Supreme Court in India on the lines of the Privy Council in England. India will be much benefited thereby.

A Federal Court is an important feature of a Federal constitution; such a Court decides questions of constitution. The powers and the constitution of that Court can be determined later on. When the Supreme Court is established for India, the question of the Indian constitution should be referred to it. The decisions of the Supreme Court should be universally binding and available to all; but if those decisions are to have no effect outside the precincts of the Court, that Court will be the laughing stock of the whole world.

The Supreme Court should have full powers to hear civil and criminal appeals from the whole of India. The chief benefit from the establishment of the Supreme Court will be that perfect justice will be available to the poor Indian people. For want of such a court Indians have got to resort to the Privy Council in England. But poor people cannot afford the expenses involved therein. The Privy Council is an old institution, and as such it commands the respect of all. Similar respect will be felt for the Supreme Court when it is established.

When the Supreme Court is established in India, renowned Indian lawyers can be appointed on lesser salaries as Judges of the Court; then all can get the benefit of their learning. The Supreme Court will be the highest court having supreme authority over all people in India. At present High Courts are the highest courts in India, and there is necessity of a Supreme Court with appellate powers.

The Supreme Court should have powers to decide constitutional questions and to hear civil and criminal appeals. This will secure perfect justice to poor Indians and save their expense of journeys to England. The Court should have unrestricted power, and Government should abide by its decisions. It is thus very necessary to establish a Supreme Court for India, and there is a popular demand of a long standing for it. I hope a Supreme Court will soon be established.

II

*Translation of *speech delivered in Marathi by Mr. N. R. Gunjal, M.L.A., on the 22nd February, 1932. re the Bill further to amend the Workmen's Compensation Act, 1923.*

Sir, I rise to support the motion for circulation moved by the Honourable Sir Joseph Bhore.

While supporting this Bill, I say that the object and the principles underlying this Bill are good. The Bill contains some recommendations of the Royal Commission on Labour, and during the present times there is a necessity of such a Bill. The Honourable Sir Joseph Bhore has explained in detail the amendments proposed to be made and also has followed the recommendations very closely.

I find Mr. Joshi has made an important speech in this connection and pointed out the difficulties of labour in India. I hope, the Government will consider the suggestions made by Mr. Joshi in his speech.

The Bill may be sent to the various labour institutions in India for eliciting their opinions and the various such institutions should be given opportunities to ventilate opinions on such matters at this time in order to remove the difficulties and disabilities of the labour classes. Sir, I support the motion.

**Vide* page 1055 of the Legislative Assembly debates, dated the 22nd February, 1932.

[Sir George Schuster.]

ought really to go deeper than that and satisfy itself that the project was not of such a nature as to be likely to interfere with the solvency of the borrowing Government. Question on this subject will arise possibly in the near future when, in connection with projects that have been already started, we come to consider what is the best method of dealing with them if they fail to fulfil expectations. It is sufficient for the present to say that, speaking on behalf of Government, I as Finance Member fully endorse and accept the recommendations which I as Chairman of the Public Accounts Committee have joined in making on this particular point.

My Honourable friend Mr. Das raised a question about the overdrafts of the Provincial Governments, and in this connection I must apologise to him for having dealt somewhat summarily with a supplementary question which he put the other day and which I now appreciate that I misunderstood. The question as regards overdrafts is a somewhat difficult one. I do not propose to go into it in detail today, but I would say this—that when the financial arrangements as between the Central Government as banker and the Provincial Governments as clients were fixed, I do not think it was ever contemplated that the Provincial Governments would be regularly in the position of having overdrawn their current accounts. Actually in the past years the Central Government has benefited on balance very considerably by the arrangements which had been made, because most of the Provincial Governments have been regularly in credit on their current accounts. Now unfortunately we are approaching a stage where provincial balances have been drawn off and most of the provinces I am afraid will have to come to us to help them to finance actual current budgetary deficits. As soon as a proposal is put up to us in a form which enables us to treat it as an advance to be made from the Provincial Loans Fund, the Provincial Government has of course to pay interest in the ordinary way, but situations may arise in the course of a year which would enable a province to overdraw its account without paying interest on it. I would merely say that that particular possibility has received recently our very careful attention and that in any recommendations which we have made as regards future arrangements, we have always made it very clear that whatever the relations between the Central Government and the provincial units may be, if the Central Government has got to continue its present function of acting as a banker for the Provincial Governments, then those relations must be fixed on a strictly commercial basis. I do not think it will be at all difficult to arrive at a fair arrangement, regulated exactly on the lines of those which would prevail in ordinary private commerce between a banker and the bank's clients.

That, Sir, I think is all that I need say on the points that have been raised. I would repeat that we shall take very careful note of this debate and shall see that the points that have been raised are again brought to the attention of the departments concerned.

Mr. President: The question is:

"That the Report of the Public Accounts Committee on the accounts for 1929-30 be taken into consideration."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 29th February, 1932.

APPENDICES.

I

Translation of speech delivered in Hindi by Mr. N. R. Gunjal, M.L.A., on 10th February, 1932, on the Resolution regarding establishment of a Supreme Court in India.*

Mr. President, the Honourable Mr. B. R. Puri has moved to-day a Resolution recommending establishment of a Supreme Court in India at an early date, and several of my friends have already spoken thereon. Sir Hari Singh Gour and other Members have, before this, tried to bring forward the said Resolution several times; and this session it was first balloted in my name; but it could not come up for discussion on the previous day since all the time of the Assembly was spent that day on the discussion of other important matters. I support this Resolution since it is my duty to do so.

If we look to the history of the past and present suits, litigation in India and to the Privy Council stage in England, we find that the litigants carrying their disputes to that stage were reduced to poverty and lost their lands, houses, *jagirs* and zamindaris; what was left to them was only the judgment papers. Judicial suits of Indians must be decided only in India by a final court. It is surprising that this difficulty was not noticed by the British Government so long. There is no objection to the reservation of the powers of His Majesty in this respect as has been done in the constitutions of Canada, Australia and South Africa. My contention is that judicial decisions should be given in our own hand. The British administration of justice is of a peculiar type in that, by making unusual laws, disputes are created among the people; but the key to the final adjudication is kept in their own hands, and that too in a foreign country. Indian parties to a suit conducted in a foreign country experience a great difficulty in giving instructions to their lawyers and barristers. The British Government have looked to their own convenience by keeping under their control the power of final adjudication, but they have not secured the convenience of the litigants by way of providing them with passage to England at minimum cost for the purpose of giving instructions about their cases. This is a great impediment in our way. This is an important Resolution before the Assembly and Government also should support it. A Supreme Court is one of the problems of the Federal Constitution at present under consideration, and the passing of this Resolution will help in its solution. I, therefore, request that all elected Members should support and pass this Resolution.

It is quite necessary to establish a Supreme Court in India. Federal Courts have been established in countries like America, Canada and Australia which have got federal constitutions. The people have long since

**Vide* p. 583 of Legislative Assembly Debates, dated the 10th February, 1932.

SECRET
MAY

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

QUESTIONS AND ANSWERS.

CONTRACT FOR THE CONVEYANCE OF MAILS BETWEEN ERODE AND SATYAMANGALAM.

515. ***Mr. Bhuput Sing:** (*a*) Are Government aware that the Postmaster General, Madras, about the 17th October, 1931, accepted a revised tender for Rs. 200 for the conveyance of mails between Erode and Satyamangalam and directed the Superintendent of Salem to get the formal deed of contract executed with the party concerned?

(*b*) Is it a fact that the Superintendent of Post Offices, Salem, withheld the Postmaster General's order and did not execute the formal deed of contract with the party concerned? If so, why?

(*c*) Are Government aware that in spite of the orders of the Postmaster General, Madras, the Superintendent of Post Offices, Salem, on his own authority did not give the contract to the party whose tender was accepted by the former?

(*d*) Is it a fact that the Superintendent, Post Offices, Salem, gave away the contract to another individual whose tender in the original instance was rejected by the Postmaster General, Madras, as being a conditional tender?

(*e*) If the replies to parts (*c*) and (*d*) be in the affirmative, will Government be pleased to state if the action of the Superintendent of Post Offices, Salem, was in order? If not, what action do they propose to take against the Superintendent of Post Offices, Salem?

Mr. T. Ryan: With your permission, Sir, I propose to take questions Nos. 515 and 516 together.

Information is being collected and will be placed on the table of the House in due course.

CONTRACT FOR THE CONVEYANCE OF MAILS BETWEEN ERODE AND SATYAMANGALAM.

516. ***Mr. Bhuput Sing:** (*a*) Is it a fact that the Postmaster General, Madras, after having once passed final orders in regard to the contract for mail service between Erode and Satyamangalam asked the Superintendent of Post Offices, Salem, to secure further fresh tenders showing the lowest offers from two individuals?

† For answer to this question, *see* answer to question No. 515.

(*b*) If the reply to part (*a*) be in the affirmative, will Government be pleased to state if the tender of one of the two individuals mentioned above was rejected in the original instance and no negotiations of any sort were ever entered into with him by the Postmaster General, Madras?

(*c*) Once tenders are called and final orders passed, can the orders be cancelled and fresh tenders called for? If so, what were the reasons which actuated the Postmaster General, Madras to call for fresh tenders? Why did the Postmaster General, Madras call for fresh tender from the same individual whose tender was originally accepted and final orders passed and another individual whose tender in the first instance was rejected?

(*d*) Is it a fact that the gentleman whose tender was accepted in the original instance is the Government contractor for mail conveyance from Erode to different other places and holds several testimonials for efficient service and appreciation from Government?

(*e*) If the reply to part (*d*) be in the affirmative, what were the reasons that prompted Mr. Shujat Ali, the Superintendent of Post Offices, Madras, to patronise a new individual?

PARTY TO THE POSTMASTER GENERAL, MADRAS, BY THE MANAGING DIRECTOR OF A MOTOR MAIL SERVICE.

517. ***Sardar G. N. Mujumdar** (on behalf of Mr. B. N. Misra): (*a*) With reference to the answer given to starred question No. 1075 of Sirdar Harbans Singh Brar on 29th September, 1931, are Government aware that "to bid farewell to Mr. H. M. Richardson, the outgoing Postmaster General, and to welcome Mr. C. D. Rae, the new Postmaster General, Mr. C. Rajam, Managing Director, The Garage, Ltd., was "At Home" on the 1st February, 1932 "at India House, his residence" in Madras?

(*b*) Are Government aware that high officials of the Postal Department attended the function?

(*c*) Are Government aware that "after tea the guests moved to the drawing hall upstairs where they were entertained to a programme of dance by Srimati Ragini Devi, the famous oriental dancer" with instrumental music by her troupe of Patiala Court musicians?

(*d*) Is not the host, the Managing Director of the company, which is given a subsidy for Mail-Motor Service in Madras and in Calcutta?

(*e*) If the answer to part (*d*) is in the affirmative, what is the amount of subsidy given for Madras and for Calcutta?

(*f*) If the answer to part (*a*) is in the affirmative, are Government prepared to stop these officials accepting these parties from Government contractors?

(*g*) If the answer to (*a*) is in the negative, do Government propose to make enquiries and also see *The Hindu* of Madras, dated 2nd February, 1932?

The Honourable Sir Joseph Bhore: (*a*), (*b*), (*c*) and (*d*). Government have no information other than a report contained in the issue of *The Hindu* referred to by the Honourable Member in the last part of part (*g*) of this question.

(*e*) and (*f*). The Honourable Member's attention is invited to the answer to Sirdar Harbans Singh Brar referred to by him in part (*a*) of the question.

(*g*) Does not arise.

RESOLUTION OF THE GOVERNMENT OF BENGAL ON THE SHOOTING AT THE HIJLI DETENTION CAMP.

518. ***Mr. S. C. Sen:** (*a*) Has the attention of Government been drawn to the Government of Bengal's resolution on the report of the Hijli detenus shooting enquiry?

(*b*) Will Government be pleased to state whether a copy of the Bengal Government's resolution was forwarded to them officially as was mentioned in the resolution? If so, will they please state what action, if any, the Government of India have taken or intend to take in connection with the said resolution?

(*c*) Is it a fact that the Government of India empowered the Local Government by the said resolution to oust the jurisdiction of the ordinary criminal courts of the land and deal departmentally with public servants who have committed murder and murderous assaults without any justification and without the order or direction of their superior officer? If so, why and under what Act or Acts of the Indian Legislature?

(*d*) If the answer to part (*c*) be in the negative, will Government be pleased to state whether the officers connected with the Hijli shooting affair were ordered to be dealt with departmentally?

(*e*) Is it a fact that the Commandant of the military forces located in the Hijli Camp in Bengal was found guilty of murderous assaults on the inmates of the said detention camp? If so, will Government be pleased to state what punishment was awarded to him?

The Honourable Sir James Crerar: (*a*) and (*b*). The Government of India received a copy of the Bengal Government's Resolution on the Hijli Enquiry Committee's Report. The matter was within the competence of the Local Government, and the Government of India have not taken any action in connection with the incident.

(*c*) I cannot accept the Honourable Member's description of the action taken. If he is referring to the power to refuse sanction to prosecution, I would refer him to section 132 of the Criminal Procedure Code, by which discretion is vested in the Local Government.

(*d*) I would invite the Honourable Member's attention to paragraph 10 of the Bengal Government's Resolution.

(*e*) There were no military forces employed in the Hijli Camp. I presume therefore the Honourable Member is referring to the Commandant of the Camp. I would invite attention to paragraphs 20 and 21 of the Report of the Enquiry Committee and to paragraph 6 of the Resolution I have referred to, from which he will observe that the Committee found that the insinuations made against this officer were entirely unfounded.

Mr. C. C. Biswas: Is the Honourable Member aware if any application was made to the Local Government for sanction to the prosecution of any officers concerned in this incident?

The Honourable Sir James Crerar: I have no information on the point.

Mr. B. Das: Is it a fact that the Bengal Government asked the Commandant to take leave and clear out of India, and they went against the Commandant's Report and issued a communiqué which was false?

The Honourable Sir James Crerar: No.

Mr. K. C. Neogy: Is the Honourable Member aware that in his evidence before the Inquiry Committee this Commandant virtually stated that the communiqué originally issued by the Bengal Government with regard to this matter was more or less a fabrication, as it was not based on anything that was supplied to the Government either by the Commandant himself or by the Camp authorities?

The Honourable Sir James Crerar: No.

Mr. K. C. Neogy: Is the Honourable Member aware that the Government had appointed a counsel to look after the interests of the Detention Camp people, that is to say, of people against whom the charges were brought, and that in opening the case for these people, *i.e.*, the people who were in the position of accused, their own counsel appointed by Government made the statement that even if all the allegations that were made by the Detention Camp authorities were held to be true, there was no justification for the firing?

The Honourable Sir James Crerar: My attention has not been called to that particular passage.

Mr. K. C. Neogy: Does the Honourable Member care to read newspapers, or has the Honourable Member ever cared to ask the Director of Information for a cutting of the newspaper press on this subject?

The Honourable Sir James Crerar: In matters of this kind I prefer to see the original documents.

Mr. B. Das: Did not the Bengal Government forward to the Government of India a copy of their Report of the inquiry over the Hijli incident?

The Honourable Sir James Crerar: Yes, Sir.

Mr. K. C. Neogy: Do I take it that it was barely the Report that was sent to the Government of India and not the materials on which it was based?

The Honourable Sir James Crerar: I have already answered that the Government of Bengal sent us the full text of the inquiry Report.

Mr. K. C. Neogy: Will the Honourable Member, now that his attention has been called to this matter, call for the evidence and also for the report of the address of the counsel appointed by the Bengal Government to look after the interests of these people?

The Honourable Sir James Crerar: I think, Sir, the matter has already been disposed of by the Resolution of the Local Government and the information which they gave in a recent debate in the local Legislative Council, to the official report of which I would refer the Honourable Member.

Mr. K. C. Neogy: Does the Honourable Member not think that in view of the responsibility which is laid upon the Government of India with regard to the superintendence, direction and control of Provincial Governments, some further action is necessary on the part of the Government of India in such a grave matter?

The Honourable Sir James Crerar: As I have already stated, the Government of India do not intend to take any further action in the matter.

Mr. K. C. Neogy: Are the Government of India in a position to say that the action taken by the Government of Bengal in this matter has been adequate without looking into the materials on which the Report was based?

The Honourable Sir James Crerar: I have nothing to add to what I have already said on this subject.

TICKET CHECKING ON THE EAST INDIAN RAILWAY.

519. ***Dr. Ziauddin Ahmad:** (*a*) With reference to the statement of Government in reply to the supplementary questions on starred question No. 230 on the 12th February, 1932, will Government be pleased to state whether the decision of the Agent that the Moody-Ward system was more efficient than the T. T. I. system was referred to the Railway Board?

(*b*) What was the decision of the Railway Board?

(*c*) Did the Agent of the East Indian Railway change the designation without changing the duties of the T. T. Is., and reduce the pay of T. T. Is. to one-third and one-fourth? If so, did the Railway Board notice this fact?

(*d*) Did the Railway Board notice the fact that the Agent switched-off the responsibility to the Divisional Superintendent?

(*e*) Will Government please lay on the table the letter of the Agent, East Indian Railway and the reply of the Railway Board?

Sir Alan Parsons: (*a*) The Agent did not express an opinion on the comparative efficiency of the various systems, but communicated his acceptance of the system recommended by the Moody-Ward Committee, and asked for the Railway Board's approval to his proposals for the adoption of this system.

(*b*) The Railway Board approved of the East Indian Railway adopting this system.

(*c*) The position is that under the new system there are comparatively a smaller number of Inspectors and a larger number of Travelling Ticket Examiners. The duties of a Travelling Ticket Examiner are not the same as those of an Inspector and the rates of pay are lower.

(*d*) No, but I will bring the Honourable Member's question to the notice of the Agent, East Indian Railway, for such action as he may consider necessary.

(*e*) Government are not prepared to lay copies of their departmental communications on the table.

ALLEGED ROUGH HANDLING OF A LADY PICKETER BY THE POLICE.

520. ***Mr. B. Das** (on behalf of Mr. B. R. Puri): (*a*) Has the attention of Government been drawn to an incident reported in the *Tej* of 6th and 8th February, and in the *Hindustan Times* of 5th and 6th February, 1932 of rough handling and using abusive and provocative language to a respectable lady by Sub-Inspector Abdul Wahid of Delhi at the time of arresting her while she was picketing foreign cloth?

(*b*) Are Government aware that this incident was witnessed by a large crowd?

(*c*) Have Government taken any steps to investigate the alleged behaviour of the Police officer, and, if so, what is the result?

(*d*) Is it a fact that women have been added to the Delhi Police force? If so, why were they not employed in effecting the said arrest?

The Honourable Sir James Crerar: (*a*) I have seen the report in the *Hindustan Times*. It is true that there was a good deal of abuse but it came from the person arrested and not from the police.

(*b*) Yes.

(*c*) An enquiry was made on the day of the occurrence by a Gazetted Officer. The Sub-Inspector was found entirely blameless.

(*d*) Yes; but as they had just been enlisted and had no uniform they had not been put on duty.

DANGER OF INFECTION FROM TUBERCULOSIS AT THE NEW CENTRAL JAIL, MULTAN.

521. ***Bhai Parma Nand:** (*a*) Is it a fact that political prisoners, some of them being of "A" Class, from Delhi, have been sent to the New Central Jail, Multan?

(*b*) Is it a fact that the New Central Jail Multan has got about 120 ordinary convicts who are suffering from tuberculosis?

(*c*) If the answers to parts (*a*) and (*b*) are in the affirmative, are Government aware that there exists anxiety in the minds of the political prisoners and that there is serious danger of catching infection? If so, why do not Government propose to transfer them to a place which is free from any such risk?

The Honourable Sir James Crerar: (*a*) Yes.

(*b*) Yes.

(*c*) There is no danger of infection as tuberculosis cases are kept in a separate block at a distance from healthy prisoners. Multan is one of the healthiest places in the Punjab.

EXPENDITURE INCURRED ON TRANSFERRING PRISONERS FROM DELHI TO MULTAN.

522. ***Bhai Parma Nand:** Is it not a fact that the Government incur a very heavy expenditure for transferring prisoners from Delhi to Multan? If so, have Government considered in these days of economy the question of having a camp jail at Delhi?

The Honourable Sir James Crerar: Arrangements are being made to erect a camp jail for C Class prisoners, but A and B Class prisoners are transferred to Multan because special arrangements exist there for the accommodation of such prisoners.

CHARGES FOR GOODS ON THE BENGAL NAGPUR RAILWAY.

523. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): (*a*) Will Government be pleased to state if it is a fact that the Bengal Nagpur Railway Company has been recovering more charges for the goods from the consignors or consignees, by way of transhipment or terminal charges, than those prescribed in the Goods Tariff on the Katni-Murwara and Bilaspur section during December, 1926 to July, 1927 at a rate of six annas per maund without complying with the provisions of sections 47, 148, and 54 (1) of the Indian Railways Act of 1890 prescribed for the due publication of the goods tariff for the information of the public?

(*b*) If the action of the said Railway Company was justified and was not illegal or irregular, will Government be pleased to state the authority under which the Railway Company was entitled to recover excessive charges from the public on the goods consigned by them during the said period of December 1926 to July 1927 on the said section of the Bengal Nagpur Railway Company?

(*c*) Are Government aware of the fact that owing to this action of the Bengal Nagpur Railway Company, the members of the public were put to serious inconvenience and loss and were obliged to seek redress in the law courts?

(*d*) Are Government aware that the civil courts have decided that the public remedy for refund of these charges of 0-6-0 per maund in question would be by complaint to the Governor General in Council for the appointment of a Commissioner who would determine whether the charge has been made with or without proper sanction and at a reasonable rate?

(*e*) Are Government aware that the public have applied to the Governor General in Council, but the latter has refused to appoint the Railway Commissioners under the Indian Railways Act of 1890, *vide* their letter Nos. 195-11/29-C. & G., Legislative Department, dated Simla, the 5th June, 1930, and 195-111/29-C. G., dated 21st August, 1929?

Sir Alan Parsons: (*a*) The rate of six annas per maund was a charge which the Bengal Nagpur Railway levied on consignments transhipped at the site of the Johilla Bridge, which had been washed away by floods, when they accepted consignments for carriage over this section, as an alternative to carriage by the dearer route *via* Gondia. The fact that this charge was leviable was known at the stations from which consignments were booked.

(*b*) The additional charge was justified by reason of the special arrangements that were made for transhipment and carriage across the river.

(*c*) Government are aware that certain suits were filed, but are not aware of any inconvenience experienced by the public.

(*d*) Government believe that this was the view taken by a District Court.

(*e*) Yes.

TRANSHIPMENT CHARGES OVER THE JOHILLA BRIDGE REALISED BY THE BENGAL NAGPUR RAILWAY.

524. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): (*a*) Will Government please state the total amount realised by the Bengal Nagpur Railway Company on account of a rule of levying transhipment charge at a rate of 0-6-0 per maund extra on goods traffic in 1927 over the Johilla Bridge? Was it to the extent of Rs. 54,281-4-0?

(*b*) Will Government please state the authority which makes the Bengal Nagpur Railway Company competent to levy the said terminal or transhipment charge mentioned above from the public without due notification in the goods tariff? If the answer to this question is in the negative, are Government prepared to order the Bengal Nagpur Railway Company to refund the said amount mentioned above to the traders? If so, when; if not, why not?

(*c*) Was the imposition of the said transhipment charge at a rate of 0-6-0 per maund duly notified in the Bengal Nagpur Railway Goods Tariff under section 54 (1) of the Indian Railways Act of 1890, Circular No. 9, dated 14th May, 1895 of the Government of India Railway Department?

Sir Alan Parsons: (*a*) Yes.

(*b*) and (*c*). The charge was not embodied in the Tariff but its levy was authorised by the Administration, and under section 60 of the Indian Railways Act, any person could have seen at the station the document in which the charge was authorised.

TRANSHIPMENT CHARGES OVER THE JOHILLA BRIDGE REALISED BY THE BENGAL NAGPUR RAILWAY.

525. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): Will Government please state:

(i) how many persons who had to pay this extra transhipment charge of 0-6-0 per maund, in addition to due notified rates, have up to date made complaints against the Bengal Nagpur Railway Company to Government for refund of their respective amounts;

(ii) how many of them have directly applied to the Bengal Nagpur Railway administration;

(iii) how many of them have taken the help of the civil court of justice; and

(iv) how many of them have got refund of this amount through civil courts and out of court and how many have not?

Sir Alan Parsons: (i) Nine.

(ii) Government have no information.

(iii) Government are aware of there having been more than two suits, but do not know the exact number.

(iv) Government are aware that in one suit the decision of the Sub-Judge's court was against the plaintiff; they have not seen the judgments in the other cases.

REFUND OF TRANSHIPMENT CHARGES BY THE BENGAL NAGPUR RAILWAY.

526. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): (*a*) Is it not a fact that Messrs. Baldeve Dass Ghasi Ram of Mirzapur, East Indian Railway, have got the refund of the excess transhipment charge of 0-6-0 per maund in question out of court, from the Bengal Nagpur Railway Administration on their consignment of lac weighing 120 maunds booked Champa station to Mirzapur under Railway Receipt No. F. O. R. 25446 of 14th June, 1927, amounting to Rs. 45 and a similar refund has again been granted to them for a consignment booked from Pendra Road to Mirzapur in 1927?

(*b*) Is it not a fact that firms of Rampershad Sheo Pershad Pooran Makhan, Magni Ram Jhumal Mall, Munney Ram Kishen Pershad, Baldev Kunj Beihari all of Katni Murwara Bansi Lall Khoob Chand of Pendra Road and Gebiram of Satna station besides others had to pay this extra charge of 0-6-0 per maund amounting to a large sum of money and they have not yet got their refunds? If so, why? Will Government please state when their amounts will be refunded?

(*c*) Are Government aware that the action of the Bengal Nagpur Railway Company is contrary to the provisions of the Railway Act, sections 47 and 54 (1)? What steps have been taken or are proposed to be taken against them? If not, why not?

Sir Alan Parsons: (*a*) A statement to this effect was made by Messrs. Panna Lall in a representation submitted by him to the Governor General in Council. Beyond this, Government have no information.

(*b*) Government have no definite information as to what firms paid this extra charge, and the question of a refund of any alleged overcharge is a matter for the Bengal Nagpur Railway Administration to deal with.

(*c*) The reply to the first part is in the negative, and the second part, therefore, does not arise.

COMPLAINTS AGAINST THE RAILWAY COMPANY BY THE *ex*-STATION MASTER, KATNI.

527. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): (*a*) Is it not a fact that the Government of India have had due notice from Thakur Harparshad Singh, *ex*-Station Master, Katni *vide* their acknowledgment letter No. 4010-T., dated the 17th September, 1931) in respect of various important matters and troubles affecting trade and the great inconvenience to general public in their dealings with the railway company in India?

(*b*) Will Government be pleased to state what steps were taken to safeguard the public interest; if not, why not?

Sir Alan Parsons: (*a*) A letter from Thakur Harparshad Singh was received, alleging that civil courts in the Central Provinces were deciding cases in contravention of the provisions of the Indian Railways Act.

(*b*) No action was taken, as it was open to plaintiffs concerned to appeal against judgment adverse to them.

FREIGHT RATES ON THE BENGAL NAGPUR RAILWAY.

528. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): (*a*) Is it not a fact that the Railway companies in India, especially the Bengal Nagpur Railway Company, the Bombay, Baroda and Central India Railway Company, and the Great Indian Peninsula Railway Administration, do not legally claim freight applicable to the dearer route for carriage of goods by railway? Is it a fact that they are not permitted to do so under the General rule No. 19 printed in their Goods Tariffs and under section 54 (1) of the Indian Railways Act of 1890?

(*b*) If the answer to part (*a*) above is in the affirmative, will Government please justify how the Bengal Nagpur Railway Company, realised rates of the dearer routes from the public without due written endorsement of the consignors on the consignment notes and railway receipts?

(*c*) Are Government aware that in certain cases of the same nature, overcharges were realised and have been refunded to the public concerned by the same railway authorities?

Sir Alan Parsons: (*a*) Government have no reason to think that Railways claim to retain freight charges at higher rates than they are entitled to claim.

(*b*) and (*c*). Government are aware that cases do arise where freight charges are recovered at higher rates than are due and that refunds of the amounts overcharged are subsequently given.

EXCESS FREIGHT CHARGED TO TRADERS BY THE CERTAIN RAILWAYS.

529. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): (*a*) Is it not a fact that certain traders of Pindra Road care-of Thakur Harparshad Singh, Alphert Ganj, Katni, have applied to the Bengal Nagpur Railway Company, and the Bombay, Baroda and Central India Railway Company and also Messrs. Munshi Ram Kishanpershad Katni Murwara applied to the Bengal Nagpur Railway Company for the refund of overcharges realised from them in 1927 without due remarks on the consignment notes of General Rule 19, but the railway companies have not refunded the money as yet?

(*b*) Will Government please quote the authority consistent with the Railway Act of 1890 empowering these railway companies not to refund the overcharges to these traders?

Sir Alan Parsons: (*a*) and (*b*). Government have no information of the cases referred to, and do not propose to interfere in matters relating to claims for the refund of overcharges which can be referred to courts of law for settlement.

FREIGHT RATES ON THE BENGAL NAGPUR RAILWAY.

530. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): Is it not a fact that the wagon load consignments booked on the Bengal Nagpur Railway stations for Katni-Murwara, Bengal Nagpur Railway, are not dealt with at Katni or Katni Murwara Great Indian Peninsula Railway Stations, nor are they charged at a freight other than the local Bengal Nagpur Railway cheaper rates as per rules regarding the routing and rating of traffic notified in the Great Indian Peninsula Railway Goods Traffic, Part 1A of 1926, even in spite of the consignments having travelled *via* any other dearer routes for any cause?

Sir Alan Parsons: I am not quite sure that I have correctly understood the Honourable Member's question, but Katni and Katni-Murwara are joint stations of the Bengal Nagpur and Great Indian Peninsula Railways, and traffic booked from a station on the Bengal Nagpur Railway to Katni-Murwara, if not routed *via* another Railway's junction would be the local traffic of the Bengal Nagpur Railway.

LOANS ASKED FOR BY PROVINCIAL GOVERNMENTS.

531. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): (*a*) Is it not a fact that several Provincial Governments have asked for loans from the Provincial Loan Fund of the Government of India?

(*b*) If so, will Government state the amount each Provincial Government has asked for?

(*c*) Do the Government of India propose to make some inquiry as to the necessity for such a loan before the loans are sanctioned?

The Honourble Sir George Schuster: (*a*) The answer is in the affirmative.

(*b*) It is estimated that during the current year Provincial Governments would require loans from the Fund to the extent mentioned below:

Province.	(Amounts in lakhs of Rupees.)
Madras	47
Bombay	5,78
Bengal	2,32
United Provinces	2,91
Punjab	2,34
Burma	55
Bihar and Orissa	..
Central Provinces	83
Assam	44

I may add that the figures given now are gross figures and that Provincial Governments will repay to the Fund on account of past loans a sum of Rs. 2,63 lakhs during the current year.

(*c*) This is done.

IMPORT DUTIES OR BOUNTIES ON GALVANISED IRON AND STEEL SHEETS AND PIPES.

532. ***Mr. Amar Nath Dutt:** (*a*) Has the attention of Government been drawn to an article headed "The Tata Iron and Steel Co. Ltd." in the *Amrita Bazar Patrika* (town edition), dated the 2nd February, 1932?

CENSUS ENUMERATION OF CHRISTIAN AND MUHAMMADAN DEPRESSED CLASSES.

538. *Mr. T. N. Ramakrishna Reddi (on behalf of Lala Hari Raj Swarup): (a) Will Government be pleased to state the number of the people of depressed classes, province by province, as found during the last census?

(b) If any of them are Christians or Muhammadans, will Government be pleased to enquire whether those representatives of the depressed classes were subtracted from the Christian and Muhammadan population respectively and shown only as depressed classes at the time of census?

The Honourable Sir James Crerar: (a) The number of the people of the depressed classes (Hindus) is being extracted from the Hindu totals. The following is the information so far available:

Province.	Population.
United Provinces	12,819,949
N.-W. F. P.	5,468
Coorg	25,343
Ajmer-Merwara	76,735

(b) No corresponding figures are available as regards Muslim and Christian communities.

RATE OF INTEREST ALLOWED ON THE GENERAL PROVIDENT FUND.

539. *Mr. T. N. Ramakrishna Reddi (on behalf of Lala Hari Raj Swarup): (a) Will Government be pleased to state the rate of interest allowed on General Provident Fund money accounts of Government during the last three months of the year 1931?

(b) Does it vary with the rate of interest of Government loans raised?

(c) If not, will Government be pleased to state why Government servants are not allowed the option to withdraw portions of their savings for the purpose of lending them out to Government at the higher rate of interest allowed by Government themselves?

(d) Will Government be pleased to state whether the same restrictions apply to members of the All-India Services?

(e) If not, will Government be pleased to state why members of the All-India Services are differently treated from those of subordinate services as regards the rules and regulations of the General Provident Fund accounts of Government?

The Honourable Sir George Schuster: (a) and (b). The rate is fixed annually at the average redemption yield during the five preceding calendar years of all Government of India rupee loans with an unexpired term exceeding five years. The current rate is 5 per cent. but it is shortly to be revised for 1932-33, and from now onwards there will be a tendency for the rate to increase.

(c) The withdrawal of Provident Fund deposits for investment in Government loans would be contrary to the provisions of the Provident Funds Act, which limits withdrawals to amounts required for the payment of premiums on life insurance policies and subscriptions or premiums in respect of a family pension fund.

(d) Yes.

(e) Does not arise.

COMMUNITIES OF CLERKS, ETC., ON THE NORTH WESTERN RAILWAY.

540. *Mr. M. Maswood Ahmad: (a) Has the attention of Government been drawn to an article published by the daily *Inqilab* of Lahore under the Caption "Multan Railway Division men Hindu-nawazi" in its issue of 14th February, 1932?

(b) If the answer to part (a) above is in the affirmative, will Government be pleased to state if the facts contained therein are correct; if not, will Government be pleased to lay on the table correct figures of clerks, Sub-heads, Head Clerks and Office Superintendents by communities in Multan Divisional Superintendent's Office as well as in the North Western Railway Headquarters Office and other Divisional Superintendents' Offices of the North Western Railway?

(c) Will Government be further pleased to lay on the table a similar statement of all the Divisional Accounts Officers' Offices as well as of the office of the Chief Accounts Officer of the North Western Railway?

Sir Alan Parsons: I have not been able to obtain a copy of the article mentioned, but the Honourable Member will find such information as is available in the North Western Railway's classified list of subordinate staff, a copy of which is in the Library.

RECRUITMENT OF MUSLIMS AS APPRENTICE MECHANICS ON VARIOUS RAILWAYS.

541. *Mr. M. Maswood Ahmad: (a) Will Government be pleased to state what is the total number of candidates recruited as Apprentice Mechanics during the period 1927-28 to 1930-31 in:

(i) the North Western Railway,

(ii) the East Indian Railway,

(iii) the Great Indian Peninsula Railway, and

(iv) the Eastern Bengal Railway?

(b) Will Government be pleased to state how many of these were Muslims?

(c) Will Government be pleased to state if the order of the Government about reserving 33 per cent. places for minority communities is applicable to this recruitment?

Sir Alan Parsons: (a) and (b). The available information is contained in paragraph 136 of the Report on the representation of Muslims and other minority communities in the Subordinate Railway Services.

(c) The rule under which one-third of the vacancies is reserved for the redress, so far as may be necessary, of marked communal inequalities applies.

DEPARTMENTAL PROMOTIONS IN ALL-INDIA SERVICES.

542. *Mr. M. Maswood Ahmad (on behalf of Seth Haji Abdoola Haroon): (a) Is it a fact that the Government of India, while laying down their policy to prevent the preponderance of any one class or community in the case of the All-India Services, declared in the Home Department Office Memorandum No. F.-176/25-Ests., dated the 5th February, 1926, that departmental promotions would continue to be regulated on merit?

(b) Will Government be pleased to state whether the above order of the Home Department has since been superseded by making "seniority" the basis of selection for Departmental promotions? If so, will Government be pleased to place a copy of the order on the table?

The Honourable Sir James Crerar: (a) Yes.

(b) As has been explained on various occasions in this House, the orders of 1926 regarding communal representation in the Services do not apply to departmental promotions. These orders were not intended to alter the existing practice of regulating such promotions, *viz.*, to take both seniority and merit into account. I would invite the attention of the Honourable Member in this connection to the reply given to question No. 563 on the 17th September, 1929.

OFFICE HOURS OF MUSLIM EMPLOYEES OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS, DURING THE *Ramzan*.

543. *Mr. M. Maswood Ahmad (on behalf of Seth Haji Abdoola Haroon): (a) Is it a fact that, during the month of *Ramzan*, Muslim employees of the office of the Director General of Posts and Telegraphs are permitted to attend office at 10 A.M. instead of at 10-30 A.M. and leave office at 4 P.M. instead of at 4-30 P.M.?

(b) Is it a fact that the Muslim employees applied this year for similar permission as usual but they were asked to attend office at 9-30 A.M. and leave office at 4 P.M.?

(c) If the replies to parts (a) and (b) are in the affirmative, will Government be pleased to state the reason for enforcing attendance of the Muslims one hour earlier than the usual office hour while permitting them to leave office only half an hour earlier?

Mr. T. Ryan: (a), (b) and (c). The facts of the case are that certain Muhammadan employees of the Director-General's office applied for permission to leave office at 4 P.M. during *Ramzan* instead of at 4-30 P.M., the usual hour. It was decided that this concession should be granted if the men made up the resulting deficit by attending office half an hour earlier. This condition was accepted. No official was compelled to attend office one hour earlier in order to be permitted to leave office half an hour earlier.

ALLEGED PARTIALITY IN THE ALLOTMENT OF QUARTERS.

544. *Mr. M. Maswood Ahmad (on behalf of Seth Haji Abdoola Haroon): (a) Has the attention of Government been drawn to the article published in the January issue of the *Postal Advocate* under the heading "Partiality in Allotment of Quarters"?

(b) Will Government be pleased to state whether the statements made therein are correct?

(c) If the reply to part (b) is in the affirmative, will Government be pleased to state what steps they propose to take in order to avoid recurrence of similar acts of partiality?

Mr. T. Ryan: (a) Yes.

(b) No.

(c) Does not arise.

SEGREGATION IN TANGANYIKA.

545. *Mr. Gaya Prasad Singh: (a) Has the attention of Government been drawn to an article published in the *Tanganyika Opinion* at page 7 in its issue of the 4th September, 1931, under the heading "Segregation in Tanganyika"?

(b) Is there any proposal of introducing segregation in the settlement scheme of the Government of Tanganyika as found in the report of a committee appointed in 1930 in connection with land development in Tanganyika?

(c) Do Government propose to take any steps to avert the situation; and, if so, will Government state the measures likely to be adopted in that regard?

Sir Frank Noyce: (a) Yes.

(b) No. On the contrary the report contains a sentence which should set all doubts at rest in this matter. That sentence is "The Committee, after thorough discussion, came to the conclusion that a settlement scheme for non-natives was essential to the needs of the Territory, and that in such a scheme there must be no race discrimination". I would add that there were two Indian members on the Committee and that the report was unanimous.

(c) Does not arise.

DISCRIMINATION AGAINST INDIANS IN TANGANYIKA.

546. *Mr. Gaya Prasad Singh: (a) Has the attention of Government been drawn to the leading article of the *Tanganyika Opinion* published in its issue of the 1st January, 1932, at page 3, under the heading "Discrimination against Indians in Tanganyika"?

(b) What is the state of affairs in this connection and do Government propose to do anything in the matter?

Sir Frank Noyce: (*a*) and (*b*). In the article referred to by the Honourable Member it was suggested that the leaders of the Indian Association, Dar-es-Salaam, should present the grievances of the Indian community in Tanganyika to the delegation of the Government of India which was then on its way to South Africa and should submit later a detailed memorandum on the subject to the Government of India. No memorandum has yet reached the Government of India.

GRIEVANCES OF INDIANS IN EAST AFRICA.

547. *Mr. Gaya Prasad Singh: (*a*) Has the attention of Government been drawn to the resolutions passed at the East African Indian National Congress held in Nairobi on January, 1st and 2nd, under the presidentship of Mr. Amritlal D. Sheth as published in the *Tanganyika Opinion* of the 15th January, 1932, at page 6, under the heading "East African Congress"?

(*b*) Do Government propose to support the protest of the Indian community as regards the franchise recommendations of the Joint Parliamentary Committee and the grievances as embodied in resolution No. 2? If so, how?

(*c*) What steps do Government propose to take to alleviate the Indian position in Kenya especially, and East Africa generally?

Sir Frank Noyce: (*a*) Yes.

(*b*) and (*c*). As regards a common electoral roll, the Government of India are awaiting the decision of His Majesty's Government on the report of the Select Committee of Parliament on Closer Union in East Africa. As regards the other grievances to which reference is made in the Resolutions of the Congress, some of them have already formed the subject of representations by the Government of India. They have not recently received any communication in this matter from the Indian community in East Africa.

TAXATION OF INDIANS IN TANGANYIKA.

548. *Mr. Gaya Prasad Singh: (*a*) Has the attention of Government been drawn to the article published in the *Tanganyika Opinion*, dated the 23rd October, 1931, and 22nd January, 1932, regarding proposals for taxation on Indians in that territory?

(*b*) Is it a fact that the Indian community has to pay the highest customs duty on food-stuffs imported from India while the Europeans pay on their food-stuffs a uniform customs duty of 20 per cent.?

(*c*) Is a Bill going to be introduced in the current session of the Tanganyika Legislative Council by which trades licensing will be restricted, and monopolies will be granted for doing business with the natives? Can a copy of the proposed Bill be made available?

(*d*) Do Government propose to make an enquiry into the above, and state what steps, they have so far taken, or propose to take now in the matter?

Sir Frank Noyce: (*a*) Yes.

(*b*) The imports of food-stuffs from India into Tanganyika consist mainly of wheat, rice, dhall, butter and ghee. Customs duties are levied on these articles at the following rates per 100 lbs.:

Wheat	(1) in grain	3s.
	(2) Ground or otherwise prepared	4s/50
Rice	(1) in grain	4s.
	(2) Otherwise prepared	20% *ad valorem*
Dhall		4s.
Butter		20% *ad valorem*
Ghee		45 cents per lb.

As regards food-stuffs for Europeans, if the Honourable Member will kindly indicate which articles in his opinion should be included in this category, I shall be glad to furnish information in regard to the customs duties levied on those articles.

(*c*) Government have only recently seen in the *Tanganyika Territory Gazette* of the 22nd January, 1932, a copy of the Trades Licensing (Amendment) Bill. It is reported that this Bill will be submitted to the Legislative Council. A copy is being placed in the Library of the House.

(*d*) The matter is under consideration.

INDIAN EDUCATION IN FIJI.

549. *Mr. Gaya Prasad Singh: (*a*) With regard to the education of Indians in Fiji, are Government aware that as far back as 1910, the Secretary of State wrote expressing surprise that he had not been informed what measures had been adopted to provide for Indian education in Fiji, in 1913, he wrote that Indian education is the most urgent duty of the Government, and in a later despatch approved the establishment of five schools, and instructed the Governor of Fiji to proceed with the scheme without even waiting for the necessary legislation?

(*b*) Are Government aware that the first of the schools for Indian students in Fiji was built only in 1919, and the second has not yet been started even now?

(*c*) Are Government aware that in 1913 at the request of the European elected members of Fiji, Indians were excluded from the schools of Suva and Levuka?

(*d*) What steps have Government taken, or propose to take to advance the cause of Indian education in Fiji?

Sir Frank Noyce: (*a*) It has not been possible to trace in the records of the Government of India the despatches of the Secretary of State for the Colonies, to which the Honourable Member has referred, but from such papers as are readily available, it appears that the information is probably correct.

(*b*) It is true that the first Government school for Indian children in Fiji was established in 1919, but private schools, which received Indian pupils, existed even before that date. In 1930 there were five Government schools for Indians as well as several other schools which received grants-in-aid from Government.

(c) The Education Ordinance, 1916, provided that with certain exceptions no applicant would be refused admission into any school on account of his religious persuasion, nationality, race or language but the exceptions included the English public schools in Suva and Levuka. This Ordinance has now been repealed by the Education Ordinance of 1929, which empowers the Board of Education to declare that a particular school has been registered for the education of children of a particular race.

(d) In his address to the Legislative Council in June, 1931, the Governor of Fiji gave an assurance that Indian education continued to receive the close attention of his Government. He also stated that tenders had been invited for the erection of two other Government schools. In view of the interest already taken by the Government of Fiji in providing additional facilities for the education of Indian children, no representation from the Government of India appears to be called for.

INSTITUTION OF A TRIBUNAL TO CONSIDER CAPITATION CHARGES.

550. *Mr. Gaya Prasad Singh: (a) **Will Government be pleased to state what further action and practical steps after the statement made by the Honourable the Finance Member in reply to Mr. Das' question No. 1155 on the 4th November, 1931, Government have taken towards the institution of an independent tribunal to go into the question of capitation charges?**

(b) What are the difficulties in setting up without any further delay the independent tribunal as promised by the late Secretary of State?

(c) Now that the session of the Round Table Conference has concluded, will Government be pleased to state what action they propose to take in this behalf?

(d) Are Government in a position to announce the personnel and terms of reference of the tribunal?

Mr. G. M. Young: (a) to (d). His Majesty's Government have not yet appointed a tribunal. The whole matter is still under the active consideration of His Majesty's Government in consultation with the Government of India, and I am not at present in a position to make any statement.

DUMPING OF RUBBISH OUTSIDE THE TURKMAN AND DELHI GATES.

551. *Kunwar Hajee Ismail Ali Khan: (a) Has the attention of Government been drawn to the deplorable state of the road running outside Ajmeri, Turkman and Delhi Gates and joining them?

(b) Why is the land lying outside Delhi and Turkman Gate being utilised for dumping all the filth and night soil of the old city?

(c) Are Government aware that this accumulation of rubbish is a menace to the health not only of the old city but that it will have also an effect on New Delhi?

(d) What steps do Government propose to take to remove this menace to public health? Why was anyone allowed to dump all sorts of debris, etc., on an open ground which should be the healthy lungs of the city? Who is responsible for this?

(e) Are Government aware of the horrible effect of this on the whole suburbs of Turkman Gate after there has been a shower of rain? Do Government propose to take steps to have the rubbish removed to a far distant place?

Sir Frank Noyce: (a) Yes.

(b) The land lying outside the Delhi Gate was in use as a dumping ground for a number of years long before New Delhi came into existence. The use of land outside the Turkman Gate for dumping purposes was discontinued in 1915 and no night soil has been dumped there since then.

(c) Yes.

(d) and (e). A scheme for the closing of the dumping ground and for its removal to a distant place was prepared, but as it involves heavy non-recurring and recurring expenditure, it has had to be held in abeyance owing to financial stringency.

Mr. Muhammad Yamin Khan: Does the Honourable Member remember that flies are a great nuisance in New Delhi and this is the breeding place which is mentioned in the question.

Sir Frank Noyce: I have already answered various questions relating to the fly nuisance in Delhi. I fully realise the inconvenience caused by the existence of this dumping ground and it is the earnest hope of Government that times will improve and we shall be able to set matters right.

Mr. Muhammad Yamin Khan: Has the Government taken any action after consulting the Medical Officer of Health to meet this nuisance? This has been going on for the last four or five years.

Sir Frank Noyce: The Health Officer has recently issued a circular in regard to the fly nuisance in New Delhi and I shall be glad to send a copy of it to the Honourable Member.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House whether the Chief Commissioner of Delhi has taken any action on the questions I previously asked about these flies?

Sir Frank Noyce: As I said, the Medical Officer of Health issued a circular two or three days after the Honourable Member's question on the subject was answered in this House. I shall be glad to send my Honourable friend also a copy of this circular.

Lieut.-Colonel Sir Henry Gidney: Is the Honourable Member aware of the fact that in despite of the issue of that circular, flies are still circulating in New Delhi? (Laughter.)

Mr. Muhammad Yamin Khan: In larger numbers!

GALVANISED CORRUGATED SHEETS OBTAINABLE FROM TATAS.

552. *Mr. G. Morgan: Will Government be pleased to state whether in view of the extra protection given last year to the Tata Iron and Steel Company on corrugated sheets by the raising of the import duty from

Rs. 30 per ton to Rs. 67 per ton, the Company is now in a position to meet the demand for gauges of galvanised corrugated sheets other than 24 gauge?

The Honourable Sir George Rainy: Government have no information.

SURPLUS WARRANT AND NON-COMMISSIONED OFFICERS OF THE INDIAN ARMY ORDNANCE CORPS.

553. ***Mr. S. G. Jog:** Is it a fact that some warrant and non-commissioned officers of the Indian Army Ordnance Corps have been declared surplus to requirements? If so, how is it proposed to employ them?.

Mr. G. M. Young: The answer to the first part is in the negative; the second does not arise.

APPOINTMENT OF BRITISH MILITARY CHIEF CLERKS IN ARSENALS AND ORDNANCE DEPOTS.

554. ***Mr. S. G. Jog:** (*a*) Is it a fact that in 1925 the Government of India sanctioned duty allowance to Head Assistants in Arsenals and certain Clothing and Ordnance Depots? Is it not a fact that this duty allowance was sanctioned after due consideration of the duties entrusted to them?

(*b*) Is it not a fact that from time immemorial the Head Assistants or Head Clerks have remained in the Indian Army Ordnance Corps and have carried on their duties efficiently?

(*c*) Is it a fact that it is proposed to employ British Military Chief Clerks in Arsenals and Depots? If so, what are the reasons for such appointments and how far will they deprive the Head Assistants of their present status?

(*d*) What are the reasons that have led Government to replace the Head Assistants by Military Chief Clerks who were tried in 1911, 1929, 1930 and 1931? Why were they discontinued on those occasions? If Government do not propose to employ Chief Clerks in Arsenals and Depots, are they prepared to give an assurance that the present status and pay and duty allowance of the Head Assistants will remain intact? If so, what steps do Government propose to take in the matter to give effect to their decision?

(*e*) Is it a fact that the local Chief Ordnance Officers of certain arsenals have already taken steps to appoint Chief Clerks in their offices and have taken from the Head Assistants the control hitherto exercised by them? If so, what steps do Government propose to take in the matter?

(*f*) Is it not the general policy of Government to Indianize the Army? If so, what are the reasons that have led them to Europeanize the Indian Army Ordnance Corps by replacing the Indian Head Assistants by Military Chief Clerks?

Mr. G. M. Young: (*a*) The answer to both parts is in the affirmative.

(*b*) The appointments of Head Assistants in the Indian Army Ordnance Corps were created in April, 1925. Generally speaking, the work of Head Assistants has been satisfactory.

(*c*), (*d*) and (*e*). The attention of the Honourable Member is invited to the reply that I gave on the 14th July, 1930, to Mr. Anwar-ul-Azim's starred question No. 32. Government have now decided to appoint a British Military Chief Clerk in each arsenal office. There is a great deal of work in these offices which requires military technical knowledge not possessed by Head Assistants, Head Assistants have not been replaced by Military Chief Clerks. The duties of the latter are distinct from those of the former. As I have stated previously, the appointment of Chief Clerks will neither lower the status of Head Assistants, nor affect their pay and allowances.

(*f*) It is not the case that Indian Head Assistants are being replaced.

TAKING OVER OF THE H. M. HIGH SCHOOL BY THE AMBALA CANTONMENT BOARD.

555. ***Bhai Parma Nand:** (*a*) Is it a fact that the Cantonment Board, Ambala, has proposed to take over the H. M. High School, Ambala, from private management and to maintain it as a Board High School in the future?

(*b*) Is it a fact that there are outstanding liabilities of about Rs. 12,000 to be paid, before the school is taken over?

(*c*) Is it a fact that the Northern Command has sanctioned the proposal on the condition that the Cantonment Board provides extra money required for the maintenance of the High School, by some increase in existing taxation?

Mr. G. M. Young: With your permission, Sir, I will answer questions 555 and 557 together.

The information has been called for and the replies will be laid on the table in due course.

EXTENSION OF THE HOUSE-SCAVENGING TAX IN AMBALA CANTONMENT.

556. ***Bhai Parma Nand:** (*a*) Are Government aware that the Ambala Cantonment Board has by a majority of votes submitted proposals for the levy of a house-scavenging tax on offices, shops and godowns which were hitherto exempt from that tax?

(*b*) Are Government aware that the proposed enlargement of the scope of house-scavenging tax as stated above is being vehemently opposed by the people who are memorialising the Local Government against the necessity and justification of that enlargement?

Mr. G. M. Young: Parts (*a*) and (*b*). The attention of the Honourable Member is invited to the reply given on the 15th February to Sirdar Sohan Singh's starred question No. 357 on the same subject.

TAKING OVER OF THE H. M. HIGH SCHOOL BY THE AMBALA CANTONMENT BOARD.

†557. ***Bhai Parma Nand:** (*a*) Is it a fact that the maintenance of a High School is not one of the obligations of a Cantonment Board, as defined in the Cantonment Act of 1924?

(*b*) Are Government aware that the taking over of the H. M. High School by the Ambala Cantonment Board from public management is resented by a large section of the people?

†For answer to this question, *see* answer to starred question No. 555.

ASSESSMENT OF INCOME-TAX PAYABLE BY LANDLORDS.

558. ***Seth Haji Abdoola Haroon:** Will Government be pleased to state:

(*a*) whether it is a fact that in assessing income-tax, the landlords are allowed only one-sixth (equal to 16·666 per cent.) on account of municipal taxes and repairs;

(*b*) whether they are aware that at Karachi municipal taxes alone amount to at least 14 per cent. (or more in respect of premises fetching rent less than Rs. 97 per month);

(*c*) if the answers to parts (*a*) and (*b*) above, are in the affirmative, what is the reason for allowing to the landlords only 2·666 per cent. at the most (or less or *nil* in some cases) for repairs, wear and tear and so on; and

(*d*) whether Government propose to look into the matter and fix separate allowances for (i) repairs and (ii) wear and tear, apart from the municipal taxes?

The Honourable Sir George Schuster: (*a*) One-sixth of the *bona fide* annual value of property is allowed as a deduction to cover the cost of repairs. This allowance has no reference to Municipal taxes and is in no way intended to cover them.

(*b*) Government have no information.

(*c*) From the answer to part (*a*), it will be apparent that this question is based on a misconception of the position. The full allowance of 1/6th is made to cover cost of repairs and should be sufficient to provide against depreciation from wear and tear.

(*d*) The Government of India are not satisfied that it is necessary to amend the law so as to permit the deduction of Municipal taxes. As already indicated, they consider that the allowance of 1/6th of the annual value to cover repairs should be sufficient to prevent depreciation in the value of property.

EXHIBITION OF MOHENJODARO ANTIQUITIES IN THE NEW DELHI MUSEUM.

559. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Are Government aware that while pre-historic archæological objects from Baluchistan and Mesopotamia have been liberally displayed in the New Delhi Museum, not a single exhibit from Mohenjodaro is yet to be found in it?

(*b*) Will Government kindly state whether they have considered the desirability of making a small collection of Mohenjodaro antiquities available for public view in the museum in its New Capital?

Sir Frank Noyce: (*a*) Yes.

(*b*) I would refer the Honourable Member to the reply I gave to parts (*a*) to (*c*) of question No. 58 asked by Mr. Lalchand Navalrai on the 26th January, 1932. I would add that the disposal of the Mohenjodaro antiquities on the lines mentioned in that reply will be considered towards the end of this year, after the publication of Mr. Mackay's monograph on the later finds in that area. The desirability of having a small collection available for public view in New Delhi will then be borne in mind.

PROVISION OF THE *Unani* SYSTEM OF TREATMENT IN NEW DELHI.

560. ***Khan Bahadur Haji Wajihuddin:** (*a*) Is it a fact that the New Delhi Municipal Committee has opened an *Ayurvedic* dispensary in New Delhi? If so, are Government aware that there is an equally large demand for the *Unani* system of treatment also?

(*b*) Is it a fact that in March 1931 an application, under the signatures of nearly one thousand residents of New Delhi, for the opening of a dispensary for the *Unani* system of treatment also was submitted to the New Delhi Municipal Committee? If so, will Government please ascertain and state what action was taken on that application by that Committee?

(*c*) Are Government aware that the *Unani* system of treatment not being available in New Delhi, most of the residents, at great personal inconvenience and expense, go to Delhi City for obtaining advice and treatment?

(*d*) Is it also a fact that another representation in the matter signed by nearly one thousand persons mostly belonging to the ministerial establishment of the Government of India Secretariat (both Hindus and Muslims) and residing in New Delhi has again been submitted to the New Delhi Municipality recently? If so, will Government please say whether the New Delhi Municipality has now made any provision for the *Unani* system of treatment for the benefit of its tax-payers?

Sir Frank Noyce: (*a*), (*b*), (*c*) and (*d*). An *Ayurvedic* dispensary has been opened in New Delhi under Municipal control. The representations referred to by the Honourable Member were received. The Municipal Committee has sanctioned a scheme for the establishment of a *Unani* dispensary during the current financial year. It is hoped that this decision will satisfy the demand for the *Unani* system of treatment and remove any inconvenience which residents of New Delhi desirous of obtaining *Unani* treatment may have experienced in the past.

INDIAN CHRISTIANS EMPLOYED ON RAILWAYS.

561. ***Dr. F. X. DeSouza:** (*a*) With reference to the statistics regarding recruitment by communities given in paragraphs 74, 76 and 80 of the Report of the Railway Board for the year 1930-31 (Vol. I), will Government be pleased to give the figures separately for the Indian Christians also?

(*b*) Are Government prepared to direct that in future Reports similar statistics should be given for the Indian Christian community separately?

(*c*) Is it a fact that the Indian Christian community according to the census of 1931 number more than five million souls and forms the third largest community in India, and if so, have Government considered whether they receive adequate representation on the staff, superior or subordinate, of the several Railways in India, whether State or Company-managed?

Sir Alan Parsons: (*a*) and (*b*). The question of showing the figures relating to Indian Christians separately is under consideration.

(*c*) The answer to the first part of the question is in the affirmative. In regard to the second part, as figures relating to the number of Indian

Christians employed on railways have not hitherto been kept distinct, Government are not in a position to give a precise answer to the Honourable Member's question.

Dr. F. X. DeSouza: Will the Honourable Member see that in future Reports the position with regard to Indian Christians is separately shown? Also if, as stated in para. (*c*) of the Honourable Member's answer, Indian Christians are not adequately represented among the railway staff, will they take steps to ensure that they are adequately represented in the future?

Sir Alan Parsons: Sir, as I have explained, the question of showing the figures relating to Indian Christians separately is now under consideration. If, when we have got the statistics, they are found to be inadequately represented, then the ordinary rules with regard to communities not adequately represented will apply.

Dr. F. X. DeSouza: May I know when the decision will be taken, and, when that decision is taken, whether it will be communicated to this House?

Sir Alan Parsons: I cannot give the exact date. It ought not to take long to reach a decision.

Dr. F. X. DeSouza: Will it then be communicated to this House?

Sir Alan Parsons: Certainly.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House whether it is a fact that in the Railway Board's Administration Report all communities except Europeans are placed under one head, "Statutory Indians"? If that is a fact, will the Honourable Member state whether any useful purpose is served except encouraging communal recriminations by altering this communal classification (Hear, hear)? If the Honourable Member's answer is in the affirmative, will he state whether Government are prepared to stop this division into communities so as to satisfy some particular community?

Mr. B. Das: Did you do it at the Round Table Conference?

Sir Alan Parsons: The reply to the first of my Honourable friend's question is that he has accurately stated the facts with regard to what is given in the Railway Board's Administration Report. As regards the second question, he is asking me to express an opinion which I am not prepared to do. As regards the third question, that is obviously a matter on which I could not alone give an answer.

Mr. K. C. Neogy: Is it a fact that the suggestion made by the Honourable Member for the Anglo-Indian community will have the effect of camouflaging the large percentage of Anglo-Indians who at present find employment in the Railway Department?

Lieut.-Colonel Sir Henry Gidney: Is the Honourable Member an expert in camouflage, or does he want assistance?

Mr. B. Das: Is it not a fact that the Honourable Member's community manages to secure various special privileges that are allowed to the European community such as in the matter of carrying arms and becoming members of auxiliary forces on the ground that his community is allied to or identical with the European community?

PRESS CENSORSHIP.

562. ***Mr. S. C. Mitra:** (*a*) Are Government aware:

(i) that news, reports, communications, etc., for the Press are allowed to appear in the newspapers of one province and refused publications in newspapers of other provinces;

(ii) that Pandit Madan Mohan Malaviya's letter to the Viceroy was allowed to appear in the newspapers of all provinces except Bengal;

(iii) that reports of *lathi* charges by the Police are allowed to appear in the newspapers of the United Provinces, Madras, and Bombay but not those in Bengal;

(iv) that proceedings of law-courts are not allowed in full in the Bengal papers but they are allowed in the papers of other provinces;

(v) that speeches of members of the Assembly undergo various censorship in the provinces and that in Bengal the censorship resulted in the deletion of portions of speeches of members of the Assembly on Sir Hari Singh Gour's Resolution of February 1st relating to the Ordinances; and

(vi) that the joint letter of the Bengal National Chamber of Commerce and the Indian Chamber of Commerce to the Viceroy on the subject of the Ordinances was allowed to appear in Bombay papers but was refused publication in the Bengal papers?

(*b*) Are Government prepared to issue instructions to the Local Governments so as to ensure uniformity in regard to Press censorship?

The Honourable Sir James Crerar: I have made enquiries and will give the Honourable Member a reply in due course, of which a copy will be laid on the table.

EMPLOYMENT OF MUSLIMS IN THE FINANCE DEPARTMENT.

563. ***Maulvi Muhammad Shafee Daoodi:** (*a*) What is the total permanent clerical strength of the Finance Department of the Government of India and what is the number of Muslims employed therein?

(*b*) Is it a fact that of the 35 Second Division clerks in the Finance Department only four are Muslims? If so, will Government please state their reasons for the inadequate number of Muslims, and say how they propose to make up this inequality of communal representation?

(*c*) Is it a fact that in spite of qualified candidates being available in the Department the Second Division vacancies in the Finance Department have not been filled since 1928?

(d) Is it a fact that two non-Muslims were promoted to the First Division, one in 1930 and the other very recently?

(e) If the reply to part (d) above is in the affirmative, why have the Second Division vacancies (which have existed since 1928) been kept open?

The Honourable Sir George Schuster: (a) The total permanent strength of the clerical establishment of the Finance Department is 87. Of these, 29, or exactly one-third, belonging to minor communities, and of the 29 the Muslims number 18.

(b) Excluding personnel recently retrenched, the permanent strength of the Second Division is 28, out of which four are Muslims. Government consider that the strength of this Division is disproportionately large, and have accordingly not made any recruitment to it since 1926. Government do not admit any indifference to Muslim rights, and have actually appointed ten Muslims to the permanent establishment of the Department during the six years ending 1931 as against eight during the preceding 20 years.

(c) The mere possession of qualifications for employment in a higher Division does not confer a claim for promotion to that Division. In this case, as stated in the answer to part (a) of this question, recruitment to the Second Division has been stopped since 1926 in order gradually to reduce its strength.

(d) Yes; but the more recent appointment is a purely temporary arrangement in a vacancy which will last till the end of March next in the Branch of the clerk in question, and does not imply any supersession of his seniors whether Muslims or non-Muslims.

(e) I would refer the Honourable Member to the answers to parts (b) and (c), and add for his further information that the two posts in the Second Division which have been vacant for some time have now been finally abolished as a measure of retrenchment.

Mr. M. Maswood Ahmad: Is it a fact that four vacancies occurred in 1928 of which two were filled by non-Muslims and two have not yet been filled?

The Honourable Sir George Schuster: I am afraid I must ask for notice of that question.

Sirdar Harbans Singh Brar: Is it not a fact that Muhammadan interests did not suffer in any way by the number of Muhammadan clerks in the Finance Department?

Mr. Amar Nath Dutt: May I know since when religious faith has come to be the sole test in preference over efficiency?

The Honourable Sir George Schuster: I am afraid I must ask the Honourable Member to repeat his question.

Mr. Amar Nath Dutt: I would like to know since when religious faith has come to be the sole or almost the sole test for entering Government service, especially in the Finance Department instead of efficiency?

The Honourable Sir George Schuster: My Honourable friend is aware that this question is one of great interest to the House. He is also fully aware of the policy which the Government have adopted in the matter.

Mr. Lalchand Navalrai: May I know whether Government are going to change that policy or not?

The Honourable Sir George Schuster: Government see no reason to alter the policy which they are at present following in the matter.

Mr. Amar Nath Dutt: Do they consider that policy to be very sound?

Nawab Sir Sahibzada Abdul Qaiyum: May I know if Government still find Muslims less efficient than non-Muslims for Government services?

The Honourable Sir George Schuster: That, Sir, is a question of opinion, and I would rather not express an opinion.

Mr. Amar Nath Dutt: May I know the number of M. A.s in mathematics belonging to the various communities in India who have qualified themselves for appointment in the Finance Department—the percentage of Hindus and that of other communities?

The Honourable Sir George Schuster: I must ask for notice of that question.

Sir Cowasji Jehangir: Will the Honourable Member ever be able to answer it even after receipt of notice?

Maulvi Muhammad Shafee Daoodi: Is it not a fact that a community gains strength by the extent to which it can participate in the administration of the country and therefore by their representation in a particular Department?

The Honourable Sir George Schuster: I think I must ask my Honourable friend to repeat his question.

Maulvi Muhammad Shafee Daoodi: Is it not a fact that the administration of the different Departments of the Government, if handed over to one community, will give undue strength to that community as against the others who are equally interested in the administration of the country?

The Honourable Sir George Schuster: I think my Honourable friend is trying to take me into a very dangerous field which I do not propose to enter!

EMPLOYMENT OF MUSLIMS IN THE FINANCE DEPARTMENT.

564. ***Maulvi Muhammad Shafee Daoodi:** (a) Is it a fact that in reply to a representation from the *Anjuman-i-Islamia*, Simla, the Finance Department promised to consider the claims of Muslims when making promotions of Second Division clerks to the First Division?

(b) If the answer to the above is in the affirmative, is it a fact that Mr. Lachman Das, a very junior unqualified Second Division clerk, was promoted to the First Division superseding three Muslims? If so, why?

(c) Are Government aware that discontent is prevailing among the Muslim clerks?

(d) Is it a fact that no Muslim clerk has been recruited in the Second Division of the Finance Department since 1917?

(e) Are Government prepared to fill the existing Second Division vacancies by Muslim clerks at present employed in the Finance Department? If not, why not?

The Honourable Sir George Schuster: (a) The *Anjuman-i-Islamia* made no representation to this Department about promotions from the Second to the First Division; and there was accordingly no opportunity for giving it a promise such as that referred to by the Honourable Member. The *Anjuman* did, however, refer to the question of promotion from the Third to the Second Division, and was told in October, 1930 that the cases of qualified and unqualified Muslims in the Third Division awaiting promotion to the Second Division were then under consideration along with those of members of the other communities, and that the claims of Muslims would receive due attention. No such promotions were, however, made in view of the impending retrenchments, and the *Anjuman* was told in April, 1931 that the question of these promotions was bound up with general policy, and that it was by no means unlikely that the posts then vacant in the Second Division would be abolished, as the number of posts in that Division was disproportionately large. As stated in the answer to part (e) of the preceding question these vacant posts have since actually been abolished.

(b) Does not really arise; but, as stated in the reply to part (d) of the preceding question, Mr. Lachman Das' promotion to the Second Division is a purely temporary local arrangement and does not imply any special preferment.

(c) Government see no justification for discontent among Muslims of the Third Division as there are also non-Muslim candidates in that Division awaiting promotion to the Second Division.

(d) Yes.

(e) As stated in the answer to part (e) of the preceding question, the vacant posts in the Second Division have already been abolished.

EMPLOYMENT OF MUSLIMS IN THE FINANCE DEPARTMENT.

565. ***Maulvi Muhammad Shafee Daoodi:** (a) Is it a fact that some unpassed Hindus were recruited by the Finance Department on rates of pay which exceed even the substantive pay of some of the Muslim clerks in that Department?

(b) If so, will Government please state why the appointments carrying higher pay were not given to individuals already in the Department in preference to unqualified outsiders?

The Honourable Sir George Schuster: It is not clear what appointments the Honourable Member is referring to; but if he will kindly give further particulars, I will enquire into the matter.

EMPLOYMENT OF MUSLIMS IN THE FINANCE DEPARTMENT.

566. ***Maulvi Muhammad Shafee Daoodi:** (a) Is it a fact that four temporary clerks have recently been recruited in the Finance Department, out of whom only one is a Muslim?

(b) Is it a fact that this Muslim clerk has been engaged on less pay than his non-Muslim colleagues? If so, why has this differentiation in emoluments been necessary? Is it a fact that the grade in which the Muslim clerk has been engaged, *viz.*, Rs. 60, does not exist in the Secretariat service?

The Honourable Sir George Schuster: (a) Six temporary clerks have recently been appointed to the Finance Department in short vacancies. Out of them, three are Hindus, two are Muslims and one is a Sikh.

(b) Out of the two Muslims, one is a graduate and has been appointed on Rs. 75. The other has only read up to the Intermediate standard, has not qualified for appointment to the Secretariat, and has no previous experience of office work. He was accordingly given a pay of Rs. 60 as against Rs. 75 given for similar work to the remaining four clerks, three of whom are graduates, while the fourth has about three years experience of office work. There is no objection to the pay of a temporary post in the Secretariat being fixed at Rs. 60 to suit the circumstances of an individual incumbent.

EMPLOYMENT OF MUSLIMS IN THE FINANCE DEPARTMENT.

567. ***Maulvi Muhammad Shafee Daoodi:** (a) Is it a fact that Messrs. Chatterjee, Perrier and Abdul Hamid, temporary clerks, were employed by the Finance Department on Rs. 100, 100 and 75 respectively?

(b) Is it a fact that Mr. Perrier, who was not a graduate, was given Rs. 100 per mensem while Mr. Abdul Hamid who is a graduate was given Rs. 75 per mensem. If so, why?

The Honourable Sir George Schuster: (a) Yes.

(b) Yes. Mr. Abdul Hamid is employed as a clerk in the Third Division, while Messrs. Perrier and Chatterji were employed on First Division work.

APPOINTMENT OF UNDER SECRETARY IN THE FINANCE DEPARTMENT.

568. ***Maulvi Muhammad Shafee Daoodi:** (a) Is the appointment of Under Secretary in the Finance Department a tenure appointment for three years? If so, how long has the present incumbent been holding this appointment?

(b) Do Government propose to consider the advisability of reverting him to the Indian Audit and Accounts Service, to which he actually belongs, after the expiry of the term of his office?

The Honourable Sir George Schuster: (a) Yes. The present officiating Under Secretary has been holding this post for about 35 months.

(b) The point will naturally be one of those for consideration when the occasion arises.

APPOINTMENT OF UNDER SECRETARY IN THE FINANCE DEPARTMENT.

569. *Maulvi Muhammad Shafee Daoodi: Is it a fact that the ministerial subordinate establishment in each office of the Government of India is usually under an Assistant Secretary? If so, why is the establishment being controlled by the Under Secretary in the Finance Department?

The Honourable Sir George Schuster: The practice varies. The present officiating Under Secretary was in charge of the establishment as Assistant Secretary and continued to do this duty when promoted to *officiate* as Under Secretary because he had the longest experience of the office. No final orders are passed by him on establishment cases. The final control rests with the Deputy Secretary.

Mr. B. Das: May I ask, Sir, whether the Honourable Member recruits his Assistant Secretaries and Under Secretaries in the Finance Department on a communal basis or the criterion is ability and efficiency?

The Honourable Sir George Schuster: Obviously, ability has the first claim to our consideration.

Mr. B. Das: Thank you.

Maulvi Muhammad Shafee Daoodi: Is it not a fact that one gentleman has been controlling the appointments in this department and that is the reason why the Muslim representation is so inadequate?

The Honourable Sir George Schuster: Sir, I do not admit that the Muslim representation is inadequate. I think the answers I have already given to my Honourable friend's questions rebut that charge. I would ask my Honourable friend in connection with these questions, of which he has put a very long series to me, to consider in future when he puts questions of this kind whether the Department has been given an opportunity of going into the alleged grievances. I would inform him in this particular case that no opportunity has been given to my Department to consider these grievances. I would put it to all Honourable Members that when they are approached to ask questions of this kind, they would render great assistance to the Department concerned if they would ascertain in advance whether representations have been made to the proper authorities. In that case, I think a great deal of time would be saved in this House and we should have a better chance of arriving at the truth. I do not accept my Honourable friend's implication as regards the way in which appointments are made.

Dr. Ziauddin Ahmad: May I ask, Sir, whether the Honourable Member is sure that the representations made by persons who are aggrieved will reach the proper quarter or will they not be suppressed in the middle?

The Honourable Sir George Schuster: Certainly, Sir.

Dr. Ziauddin Ahmad: What is the meaning of "Certainly"? Would they reach the proper quarter?

The Honourable Sir George Schuster: Certainly.

Nawab Sir Sahibzada Abdul Qaiyum: May I know, Sir, whether these questions, which are put in such large numbers, influence or affect in any way the general policy of Government in making these appointments? If they do not affect or influence the discretion of Government, will they not take some steps to put a stop to these questions?

The Honourable Sir George Schuster: I think it is quite clear when questions are asked in this House that they afford means of calling the attention of the Members of Government responsible for the particular Department which is involved to points in which Honourable Members take interest. To that extent, they serve a valuable purpose; but I do suggest to Honourable Members that in putting questions of this particular kind they would achieve their purpose better, and save the time of the House, if in the first place they would ascertain what representations have been made to the head of the Departments and, if possible, consult the Honourable Member who is responsible for that Department on the matter before they actually put questions.

Mr. Gaya Prasad Singh: Is it not a fact that such questions are asked at the instance of some one in the office who feels aggrieved?

Maulvi Muhammad Shafee Daoodi: Does not the Honourable Member realise that after all the avenues of redressing the grievances have been tried, this is the last avenue that is taken by Honourable Members by putting questions like this.

The Honourable Sir George Schuster: I fully realise the value, as I have already said, of putting questions in this House, but the only point that I would like to put to my Honourable friend is that before approaching what he calls the "last avenue" he should try one or two other avenues.

Dr. Ziauddin Ahmad: What are those other avenues?

Mr. President: Order, order: Next question please.

EMPLOYMENT OF MUSLIMS IN THE FINANCE DEPARTMENT.

570. *Maulvi Muhammad Shafee Daoodi: (*a*) Is it a fact that the services of clerks are requisitioned temporarily by the Finance Department during the Budget season from different accounts offices who draw Rs. 50 per mensem as duty allowance?

(*b*) Is it also a fact that not a single Muslim has ever been employed for this job? If so, why is this differential treatment being meted out to the Muslims?

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

(*b*) The selection rests primarily with the Accounts Officers concerned, who select the men most suitable for this specialised work. No question of communal differentiation arises. I may also add for the information of the Honourable Member that the present system will be discontinued from next year.

EMPLOYMENT OF MUSLIMS IN THE FINANCE DEPARTMENT.

571. *Maulvi Muhammad Shafee Daoodi: Are Government aware of:

(a) the indiscriminate promotion of non-Muslim clerks to higher grades,

(b) the increase in the numbers of Sikh clerks out of all proportion to their numerical strength, and

(c) Muslims being deprived of their just claims in the matter of promotions and appointments,

in the Finance Department of the Government of India? If so, how do Government account for these facts?

The Honourable Sir George Schuster: Government emphatically repudiate the insinuation that there has been indiscriminate promotion of non-Muslim clerks to the higher grades of the Finance Department, and that Muslims have been deprived of their just claims in the matter of promotions and appointments. The number of Sikhs on the permanent staff of the Department is four as against 18 Muslims.

SIKH AND MUSLIM CLERKS IN THE FINANCE DEPARTMENT.

572. *Maulvi Muhammad Shafee Daoodi: (a) How many permanent appointments in the ministerial cadre of the Finance Department are at present held by Sikhs and how many of them are at present on deputation from their substantive posts?

(b) Is it a fact that some of the Third Division Muslim clerks in the Finance Department were not allowed to accept Second Division appointments in other offices of the Government of India when such were offered to them? If so, why?

The Honourable Sir George Schuster: (a) There are four Sikhs on the permanent establishment of the Finance Department out of whom two are on deputation.

(b) Cases have occurred in which clerks in the Third Division, whether Muslims or non-Muslims, have not been allowed to accept officiating appointments in the Second Divisions of other Departments in the interests of work in the Finance Department itself. But ordinarily every facility is afforded whenever possible to allow them to obtain employment in other Departments irrespective of communal considerations.

EMPLOYMENT OF A HINDU STENOGRAPHER IN THE FINANCE DEPARTMENT.

573. *Maulvi Muhammad Shafee Daoodi: Is it a fact that the names of two stenographers were suggested in 1929 by the Public Service Commission for employment in the Finance Department and that the junior of those two men, who was a Hindu, was offered an appointment, the senior man who was a Muslim having been ignored? If so, why was the senior man ignored?

The Honourable Sir George Schuster: It is a fact that the names of two stenographers were suggested by the Public Service Commission for employment in the Finance Department in 1929, but the Hindu was appointed, as he was immediately available in Delhi.

Maulvi Muhammad Shafee Daoodi: Is it not a fact that the Public Service Commission objected to these appointments as against their recommendation?

The Honourable Sir George Schuster: I have no knowledge of that. It is contrary to my own information but I should be very pleased to inquire into it.

NON-EMPLOYMENT OF MUSLIM STENOGRAPHERS IN THE FINANCE DEPARTMENT.

574. *Maulvi Muhammad Shafee Daoodi: (a) Is it a fact that of five stenographers recruited by the Finance Department since 1926 not a single one is a Muslim?

(b) If so, will Government please explain why all the appointments of stenographers in the Finance Department are reserved for Hindus to the total exclusion of Muslims?

The Honourable Sir George Schuster: (a) Yes.

(b) The appointments are not reserved for Hindus. The difficulty has been to find suitable Muslims qualified and available for this work.

Maulvi Muhammad Shafee Daoodi: How does the Honourable Member say that there was difficulty in finding out qualified Muslims?

The Honourable Sir George Schuster: I am giving the Honourable Member the information which has been afforded to me by my Department. I would ask him to accept the facts from me.

Shaikh Sadiq Hasan: Is it not a fact that sometimes wrong information is supplied to the Honourable Member by his Department?

Maulvi Muhammad Shafee Daoodi: Is it not a fact that the officer who controls the appointments has a prejudice against Muslims and therefore the correct information is not supplied to the head of the Department?

The Honourable Sir George Schuster: Sir, I emphatically repudiate these suggestions. My Honourable friend is well aware that, as a result of the number of questions asked in this matter, I have myself taken a personal interest in it and have discussed the question with the members of his community who are Members of this House, and have suggested to them that they should form a sort of employment organisation which would see that the names of suitable candidates are always brought to the notice of the various departments. I suggest to him that he can advance the cause of his community much better on these lines than by criticising the Government or asking questions of this kind in the Assembly.

Mr. Gaya Prasad Singh: Will Government encourage the formation of similar organisations for the Sikhs and other communities also?

The Honourable Sir George Schuster: I think my Honourable friend's community is quite capable of looking after itself.

Mr. Gaya Prasad Singh: I am not a Sikh.

Mr. Amar Nath Dutt: May I ask, Sir, whether the Government intend to adopt any other criterion for recruiting British Indian subjects, namely, race instead of religious faiths?

Sir Cowasji Jehangir: May I ask, Sir, whether the Honourable Member has ascertained the cost of these questions by getting the necessary information? As a Finance Member he ought to know this.

The Honourable Sir George Schuster: We have never actually commercialised this part of the work of the Government. I imagine that to maintain proper 'costing' accounts would hardly be practicable. But undoubtedly it does involve the Government in a considerable amount of extra labour and reduces the possibilities of retrenchment.

Sir Cowasji Jehangir: Is the Honourable Member aware that in the case of certain Provincial Governments the figure as to what it costs to answer a question has been ascertained?

Mr. President: Order, order: How does that question arise out of the reply given?

Sirdar Harbans Singh Brar: May I ask, Sir, whether Government propose to encourage the establishment of an employment organisation for other minority communities?

Several Honourable Members: That has already been answered.

ENCROACHMENTS ON MUSLIM BURIAL GROUNDS IN AJMER.

575. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Will Government please state whether it is a fact:

(1) that a special committee, consisting of the Civil Surgeon, Colonel Watson, and two other members of the Municipal Board, Ajmer, was appointed by the Municipal Board, Ajmer, in accordance with resolution No. 39, dated 16th August, 1928, to prepare and submit definite proposals for delimiting all burial grounds within the Ajmer Municipality and for dealing with all existing constructions therein;

(2) that the said special committee prepared and submitted a report with the plan of all grave-yards in the Ajmer Municipal area;

(3) that the said plan was unanimously approved by the Municipal General Committee, Ajmer, in resolution No. 10 of the 19th August, 1925, with a remark that a second copy of it should be made and the original plan kept in the safe custody of the Secretary;

(4) that some encroachments on the demarcated grave-yard near Idgah Chand Baori, Ajmer, defined in the said plan were made by some persons without the permission of the said Municipal Board, after the above resolution; and

(5) that injunctions were issued by the Municipal Board, Ajmer, to put a stop to the said encroachments, but were not obeyed?

(*b*) If what are stated in part (*a*) above are facts, will Government please state whether the Municipal Board, Ajmer, took any action against the said persons in connection with their encroachments on Muslim burial-grounds in defiance of the said Board's injunctions? If so, what? If not, why not?

Sir Evelyn Howell: With your permission, Sir, I propose to answer questions Nos. 575 to 579 together. The information is being collected and will be given to the House in due course.

Dr. Ziauddin Ahmad: Will the replies be given as a matter of course or will it be necessary to put another question?

(No answer was given.)

REPORT ON THE ENCROACHMENTS ON MUSLIM BURIAL GROUNDS IN AJMER.

†576. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Will Government please state whether it is a fact:

(1) that Mr. Walker, the Convener of the Public Works Sub-Committee of Ajmer Municipality, and Mr. Gainda Lall, Ward Superintendent, inspected the Idgah Chand Baori demarcated graveyard in 1929, in accordance with resolution No. 14, dated 22nd July, 1929;

(2) that the said Mr. Walker made a report relating to the graveyard on 14th October, 1929 to the Municipal Board, Ajmer, and

(3) that the said report of Mr. Walker has not yet been placed before the General Committee of the said Municipal Board, but has been kept in the custody of some officials of the said Municipal Board?

(*b*) If what are stated in part (*a*) above are facts, will Government please state where, why and with whom the report of Mr. Walker referred to above is lying and why it has not been produced before the General Committee of the said Municipal Board?

(*c*) Will Government please state whether it is a fact that Mr. Gainda Lall, Ward Superintendent, referred to in part (*a*) above, did not submit his report along with the report of Mr. Walker referred to above, but submitted a separate report on 19th May, 1930, seven months after the said report of Mr. Walker, when the latter had ceased to be the Convener of the Public Works Sub-Committee? If so, what was the cause of the Ward Superintendent's long delay in submitting his report?

(*d*) Will Government please place on the table of the House a copy of Mr. Walker's report referred to in part (*a*) above and a copy of the Ward Superintendent's report referred to in part (*c*) above?

†For answer to this question, *see* answer to starred question No. 575.

ENCROACHMENTS ON MUSLIM BURIAL GROUNDS IN AJMER.

†577. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Will Government please state whether it is a fact:

(1) that the *Anjuman Nazir-i-Auqaf* Committee, Ajmer, made several representations to the Chairman of the Municipal Committee, Ajmer, on the subject of encroachments on Muslim demarcated graveyards;

(2) that no reply has yet been given by the said Chairman to the said *Anjuman Nazir-i-Auqaf* Committee;

(3) that no action has been taken to carry out the resolutions passed by the Municipal Committee concerning the said encroachments;

(4) that Mr. Gainda Lall, Ward Superintendent, dissented from the resolution No. 14 of 22nd July, 1929, whereby it was resolved to refuse permission to construct private houses in demarcated Muslim graveyards; and

(5) that a number of persons are at present, constructing houses on Muslim graveyards?

(*b*) If what are stated at part (*a*) above are facts, what steps do Government propose to take in the matter?

MISMANAGEMENT IN MUNICIPAL AFFAIRS IN AJMER.

†578. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Will Government please state whether it is a fact:

(1) that till recently there was no Executive Officer in the service of the Ajmer Municipal Board and, consequently, the executive functions were, to a large extent, exercised by the members of the said Municipal Board;

(2) that the said members are unwilling to part with executive powers and to entrust them to the recently appointed Executive Officer; and

(3) that a good deal of mismanagement prevails in the municipal affairs in Ajmer?

(*b*) If what are stated in part (*a*) above are facts, what steps do Government propose to take in the matter?

HOUSES BUILT ON THE MUSLIM GRAVEYARD AT IDGAH CHAND BAORI, AJMER.

†579. ***Maulvi Sayyid Murtuza Saheb Bahadur:** Will Government please state how many houses have been built and are under construction on the Muslim graveyard at Idgah Chand Baori Ajmer, since 21st December, 1931?

†For answer to this question, *see* answer to starred question No. 575.

APPOINTMENT OF ASSISTANT TRAIN CONTROLLERS ON THE NORTH WESTERN RAILWAY.

580. ***Mr. S. G. Jog:** (*a*) Will the Honourable the Railway Member please see the reply to my starred question No. 385 of the 16th February, 1932 and say definitely if he is in a position to say when the Assistant Train Controllers of the North Western Railway will be confirmed?

(*b*) When is a reply to my starred question No. 1292 of the 18th November, 1931, likely to be given or laid on the table for the information of the House?

Sir Alan Parsons: (*a*) The Agent reports that confirmations against existing vacancies will be made before the end of March.

(*b*) A reply to the Honourable Member's starred question No. 1292 of the 13th November, 1931, is laid on the table. Replies to Mr. Lalchand Navalrai's questions Nos. 1361, 1362 and 1364 of 18th November, 1931, on the same subject are also laid on the table.

Reply to question No. 1292, put by Mr. S. G. Jog, M.L.A., in the Legislative Assembly, on the 13th November, 1931.

(*a*) Confirmation of 51 Assistant Train Controllers was countermanded by the Agent, after full consideration when the matter came under his review.

(i) No.

(ii) No.

(iii) This was one of the reasons.

(*b*) (i) and (ii). Divisions are not allowed to engage Assistant Controllers on Rs. 300 per mensem, but they make officiating promotions in temporary vacancies.

(iii) Confirmation orders were issued from the office of the Agent and were countermanded by an order of the Agent

(iv) The confirmation of Assistant Controllers confirmed before the 1st January, 1931, is not affected.

(*c*) (i) Yes.

(ii) Yes. The new scales apply to all men including the 51 Assistant Train Controllers referred to by the Honourable Member who on the 14th September, 1929 were neither permanent nor officiating in the Control Branch.

(*d*) (i) In 1927 the staff were advised that when Train Controllers were available in sufficient numbers, other qualifications being equal, preference would be given to men with control experience in filling vacancies of Station Masters.

(ii) Except for the 51 confirmations made in January, 1931, and subsequently countermanded, no confirmation in the Control Branch has been made since June, 1927.

Replies to questions Nos. 1361, 1362 and 1364, put by Mr. Lalchand Navalrai, M.L.A., in the Legislative Assembly on the 18th November, 1931.

Question No. 1361.

(*a*) Yes.

(*b*) Yes.

(*c*) Yes, from the date on which that grade was introduced.

(*d*) Yes.

(*e*) Probably, since appointments in the Control Branch were filled by selection of men who were most suited for the work.

(*f*) Orders confirming 51 Assistant Controllers from the 1st January, 1931, were issued.

Question No. 1363.

(*a*) The grade of Rs. 300—10—350 was already in existence prior to the 14th September, 1929. Two lower grades were added from that date.

(*b*) Yes.

(*c*) and (*e*) The 51 Assistant Controllers were officiating and their pay in the grades of Assistant Controllers was fixed according to rules in force.

(*f*) It is understood that the Agent, N. W. Railway, has received memorials in the matter and is giving these his consideration.

(*g*) and (*h*) No decision has yet been come to.

(*i*) The matter is within the competence of the Agent, and Government do not propose to intervene.

Question No. 1364.

(*a*) Passing of Station Master's examination is not a condition for appointment as an Assistant Controller. Guards or other staff are not appointed as Assistant Controllers unless they have passed the Senior Assistant Station Master's examination. The duties of Station Masters are different from those of Guards. Control work is not the duty of a Station Master or a Guard, but Station Masters or Guards or other staff may be appointed to the Control Branch if they have passed the senior Assistant Station Master's examination.

GRANT OF EXTENSIONS TO SUPERANNUATED OFFICERS.

581. ***Mr. S. G. Jog:** Will Government be pleased to state:

(*a*) the rule about the grant of extensions to superannuated persons in the gazetted rank; and

(*b*) whether on account of retrenchment the rule of non-grant of extensions is rigidly enforced?

The Honourable Sir George Schuster: (*a*) I presume that the Honourable Member is referring to Government servants in civil departments. If so, I would refer him to rule 56 of the Fundamental Rules available in the Library of the House, and add that Provincial Governments have now full power to make rules in so far as Government servants belonging to the services under their rule making control are concerned.

(*b*) I would refer the Honourable Member to the answer which I gave in the House on 25th January, 1932, to starred question No. 17.

EXTENSIONS GRANTED TO SUPERANNUATED OFFICERS IN THE INCOME-TAX DEPARTMENT, BOMBAY PRESIDENCY.

582. ***Mr. S. G. Jog:** Will Government be pleased to state:

(*a*) the number of retirements on an average in the gazetted cadre of the Income-tax Department, Bombay Presidency, during the past five years;

(*b*) how many extensions to superannuated men have been granted during the past five years;

(*c*) whether the practice of granting extensions to gazetted staff in the Income-tax Department, Bombay Presidency, is the same as the one prevailing in the Income-tax Department of the other Provinces; and

(*d*) if not, the reason why extensions were granted in the Income-tax Department, Bombay Presidency?

The Honourable Sir George Schuster: The information is being obtained and will be laid on the table in due course.

Mr. Amar Nath Dutt: Will the Honourable Member kindly lay on the table the amount of income-tax paid by the various communities?

The Honourable Sir George Schuster: I think my Honourable friend should put down a question on that point.

UNSTARRED QUESTIONS AND ANSWERS.

GRADATION LIST IN THE INDIAN STORES DEPARTMENT.

96. **Kunwar Hajee Ismail Ali Khan:** (*a*) Is it a fact that on the 4th March, 1925, the Chief Controller of Stores, Indian Stores Department, at the time of the confirmation of the clerical staff of his office issued an office order containing the names, designations, gradation, etc., of the cadre of the Indian Stores Department?

(*b*) Is it not correct that this office order formed the basis of the gradation list of the clerical staff of that Department and was worked up to for all official purposes?

(*c*) Are Government aware that in 1930 the Chief Controller of Stores issued a revised gradation list which altered the seniority of many members of the clerical staff?

(*d*) If the answer to part (*a*) above be in the affirmative, will Government please state the reasons why the seniority of certain members of the clerical staff was altered in the revised gradation list?

(*e*) What do Government propose to do with the men whose further progress in the cadre has been affected on account of their position having been altered after five years?

(*f*) What were the main principles on which the revised gradation list was based?

The Honourable Sir Joseph Bhore: With your permission, Sir, I propose to deal with questions Nos. 96, 97 and 98 together.

No formal gradation list of the clerical establishment employed in the office of the Chief Controller of Stores, Indian Stores Department, was issued until the year 1930. The principles which should regulate seniority were under consideration for a considerable time. In the meantime seniority was sometimes determined by rate of pay, and, later by date of appointment to class. It was finally decided to determine each individual's seniority taking into account all the relevant factors of his case.

No regard, whatever, was paid to communal considerations in preparing the gradation list, but the position has now been analysed and Government are satisfied that Muslims have on the whole benefited more than Hindus by the final list.

Government do not propose to take any further action in the matter or to place copies of any papers on the subject on the table.

GRADATION LIST IN THE INDIAN STORES DEPARTMENT.

†97. **Kunwar Hajee Ismail Ali Khan:** (*a*) Will Government please state why it was found necessary to alter the seniority of many clerks of the Indian Stores Department in 1930 when they had established it in actual practice for over a period of eight years?

(*b*) Will Government please state if each Department has a free hand in the alteration of the seniority of its cadre at any time and without recording any reasons and can change the position of any clerk as it thinks fit?

(*c*) If the answer to part (*b*) above be in the negative, will Government please state why in 1930 the Chief Controller issued a seniority list materially altering the seniority of many members of the clerical staff?

(*d*) Is it a fact that, as a result of the revision of seniority in 1930, several Muslim clerks were made junior to their Hindu confrères though the latter were junior to the former from the time of the formation of the Indian Stores Department, up till 1930?

(*e*) Will Government please state the reasons for making a Hindu clerk senior to a Muslim clerk in 1930 when the latter has longer approved Government service, is better qualified educationally and has been well reported on?

(*f*) Is it a fact that a Hindu clerk was made a Muslim's senior though the former had previously been punished for inefficient work and his pay reduced by a large sum?

GRADATION LIST IN THE INDIAN STORES DEPARTMENT.

†98. **Kunwar Hajee Ismail Ali Khan:** (*a*) Will Government please state why up to 1930 there was no gradation list of the clerical staff of the Indian Stores Department? If there was no such list how were promotions being affected in the clerical cadre?

(*b*) If as a result of no seniority list being maintained a member of the staff suffered a serious set back in his advancement without his own fault, will Government please state how they propose to deal with such cases now?

(*c*) Do Government propose to take any action in regard to the establishment officer responsible for not keeping the seniority list? Why did he not prepare one for so long?

(*d*) Will Government please lay on the table a copy of office order No. 181, dated the 30th January, 1926, which was issued by the Chief Controller of Stores at the time of the formation of a new branch in his office?

APPRENTICESHIP TRAINING IN THE RIFLE FACTORY AT ISHAPORE.

99. **Mr. S. C. Mitra:** With reference to their answer to my starred question in the Legislative Assembly No. 114, dated the 3rd February, 1932, regarding training of apprentices in Ordnance Factories, will Government be pleased to place on the table the particulars of the present scheme of apprenticeship training in the Rifle Factory at Ishapore, regarding syllabus, rules, conditions, object, scope and hours of training both theoretical and practical?

† For answer to this question, *see* answer to unstarred question No. 96.

Mr. G. M. Young: Enquiries are being made and replies will be laid on the table in due course.

APPOINTMENT OF APPRENTICES TRAINED IN ORDNANCE FACTORIES.

†100. **Mr. S. C. Mitra:** With reference to Government's reply to my starred question No. 114, parts (*c*) and (*e*), dated the 3rd February, 1932, will Government please state what are the names and designations of the junior appointments referred to therein and the pay and prospects thereof?

CERTIFICATES GRANTED TO APPRENTICES IN ORDNANCE FACTORIES.

†101. **Mr. S. C. Mitra:** With reference to their answer to my starred question No. 114, part (*b*) answered on the 3rd February, 1932, do Government propose to enquire into the facts referred to therein? If not, why not?

RIGHTS AND PRIVILEGES OF EXISTING APPRENTICES AT THE RIFLE FACTORY, ISHAPORE.

†102. **Mr. S. C. Mitra:** With reference to their answer to my starred question No. 114, part (*h*) answered on the 3rd February, 1932, are Government prepared to protect the rights and privileges of the existing apprentices in the Rifle Factory, Ishapore? If not, why not?

STANDARD OF TRAINING OF APPRENTICES IN THE RIFLE FACTORY, ISHAPORE.

†103. **Mr. S. C. Mitra:** With reference to their answer to my starred question No. 114, part (*f*), dated the 3rd February, 1932, will Government please state whether the standard of technical training to Trade Apprentices is that of Woolwich Trade lads or in certain cases Student Apprentices syllabus?

APPRENTICESHIP TRAINING IN THE RIFLE FACTORY AT ISHAPORE.

†104. **Mr. S. C. Mitra:** Will Government please state what is the actual position in respect of student apprenticeship training in the Rifle Factory at Ishapore, and place on the table a copy of the Master General of Ordnance's letter to the Superintendent, Rifle Factory, Ishapore, No. 1048/75 (M. G. 1), dated the 19th October, 1931?

APPRENTICESHIP TRAINING IN THE RIFLE FACTORY AT ISHAPORE.

†105. **Mr. S. C. Mitra:** Will Government be pleased to state whether the student apprenticeship scheme in the Rifle Factory at Ishapore is being abolished? If so, why?

VOCATIONAL TRAINING IN ORDNANCE AND CLOTHING FACTORIES.

†106. **Mr. S. C. Mitra:** Will Government be pleased to place on the table the Army Department letter to the Master General of Supply, No. 1048/52 (M. G. 1-A.), Simla, dated the 20th September, 1927, and annexure thereto regarding vocational training in Ordnance and Clothing Factories?

†For answer to this question, *see* answer to unstarred question No. 99.

APPRENTICESHIP TRAINING IN THE RIFLE FACTORY AT ISHAPORE.

†107. **Mr. S. C. Mitra:** Will Government be pleased to state whether the opinions of the Indians in the teaching and educational profession on the new scheme of apprenticeship training in the Rifle Factory at Ishapore, were invited? If so, what are the opinions and by whom? If not, why not?

APPRENTICESHIP TRAINING IN THE RIFLE FACTORY AT ISHAPORE.

†108. **Mr. S. C. Mitra:** (*a*) Will Government be pleased to state to what extent the theoretical training to apprentices in the Rifle Factory at Ishapore is being reduced under the new scheme during factory working hours in lecture rooms and laboratories?

(*b*) Will Government please state when the existing scheme of Apprenticeship Training was introduced?

(*c*) Will Government be pleased to state the names, qualifications, designations and duties of the whole-time teaching staff borne on apprenticeship training in the Rifle Factory at Ishapore?

APPRENTICESHIP TRAINING IN THE RIFLE FACTORY AT ISHAPORE.

†109. **Mr. S. C. Mitra:** Is it a fact that Mr. J. H. Welford, the permanent Superintendent, Rifle Factory, Ishapore, had submitted a scheme of apprenticeship training in that factory in his letter to D. O. F. & M. (A. H. Q. India, Simla), No. 15/1, dated the 25th June, 1931? If so, will Government be pleased to place on the table the correspondence and the scheme referred to?

APPRENTICESHIP TRAINING IN THE RIFLE FACTORY AT ISHAPORE.

†110. **Mr. S. C. Mitra:** Is it a fact that Mr. J. H. Welford, the permanent Superintendent, Rifle Factory, Ishapore, suggested to D. O. F. & M. in his letter to him dated the 27th August, 1931, that apprentices in the Rifle Factory at Ishapore should be required to pass the final examination of the Board of Apprenticeship Control, Bengal, it being the local officially recognised standard for technical training and that it will have the advantage of giving apprentices a recognised qualification? If so, will Government be pleased to place on the table a copy of that letter?

PROMOTION OF EX-WAR SERVICE MEN ON RAILWAYS.

111. **Khan Bahadur Haji Wajihuddin:** (*a*) Will Government kindly state whether it is a fact that the Railway Administrations were asked by the Railway Board to consider the question of preference for promotion for such members of their staff as were lent by them for service overseas during the Great War?

(*b*) If the reply to part (*a*) be in the affirmative, will Government be good enough (i) to place a copy of their letter on the table or state on what grounds a preferential promotion was to be given, and (ii) to give the names and designations of the men who were given such promotions on the East Indian and North Western Railways?

†For answer to this question, *see* answer to unstarred question No. 99.

Sir Alan Parsons: (*a*) Yes.

(*b*) (i). A copy of the Railway Board's letter No. W. B.-645, dated the 25th January, 1917, to the Agents of Railways is laid on the table.

(ii) Government regret that they cannot, after this lapse of time, undertake to collect the information asked for by the Honourable Member.

COPY OF LETTER No. W. B.-645, DATED 25TH JANUARY, 1917, FROM THE SECRETARY, RAILWAY BOARD TO THE AGENTS OF RAILWAYS.

In connection with the recruitment of certain State Railway staff lately for service overseas, I am directed to inform you that the Railway Board were informed that a difficulty arose because the men in question were apprehensive that they might be overlooked in matters of promotion in their absence. It will be remembered that the Railway Board in their telegram No. W. B.-11, dated 28th October 1915, stated that subordinate staff who rendered approved service abroad should receive special preference for promotion after return over men, who have refused to go, and desired that this order should be published for the information of the staff.

The Board's intention was that such men should not only receive the special advantages stated but should also not be prejudiced in any way whatever in consequence of their loyal service overseas. The rule is of course of general application to all State Railway staff who have gone abroad even before the date of the Board's telegram quoted above.

This will doubtless have been fully appreciated by you, but it is important that the fact should be equally understood by all officers and subordinate staff on your railway, and I am, therefore, to request that you will take such steps as you consider suitable to ensure that the point is clearly understood by all concerned and that full effect is given to the Board's wishes.

I am to add that a copy of this letter is being sent to the Director of Railways, East Africa and Mesopotamia as well as to others concerned for their information.

STATEMENT LAID ON THE TABLE.

EXAMINATION OF ACCOUNTS IN THE INCOME-TAX DEPARTMENT, BOMBAY.

The Honourable Sir George Schuster (Finance Member): Sir, I lay on the table the statement promised in reply to starred question No. 309 asked by Bhai Parma Nand on the 12th February, 1932, regarding the examination of accounts in the Income-tax Department, Bombay:

(*a*) The Government have no such information.

(*b*) Assessees are not "called before the Chief Examiner". The Income-tax Officers send from 20 to 25 assessees to the Chief Examiner daily, and the Chief Examiner distributes the work among the Examiners. Since there are usually about 21 Examiners at work, no assessee is ordinarily kept waiting for an unreasonable time, but it is impossible to foresee exactly how long the examination of each set of accounts will take. On the other hand, it is necessary to post a sufficient number of cases each day to ensure that all the Examiners will be fully employed. Over 21,600 cases were examined in 1930-31.

(*c*) The Examiners' work in one large hall under the eye of the Chief Examiner, an arrangement that is considered essential in order to prevent allegations of attempted malpractices. The Examiners' tables are so spaced as to ensure privacy.

(*d*) The Government see no reason to issue any orders on the subject.

[Dr. Ziauddin Ahmad.]

the same period they spent about 186 crores of rupees. Out of this 78 crores are taken from the Depreciation Fund and 113 crores were borrowed at an average of 5·7 per cent. The Government have unnecessarily added to the burden of our taxpayers by this disgraceful expenditure. They mis-spent about two crores on the railway stations at Lucknow and at Cawnpore and about 4 crores on the electric installation at Kalyan and on many other undertakings of this kind. Was it wisdom? The time has now come that we should provide better machinery for scrutinising the capital expenditure, and the terms of the convention of 1924 may be revised. No doubt, according to the letter of the law of our convention, they follow the usual procedure. They lay the matter before the Standing Finance Committee and also before the Assembly, but how is it done? I notice that they held their meetings at 5 in the afternoon for the discussion of the capital expenditure and they had altogether only three meetings. At this awkward time they could not expect full attendance. Mr. Sykes and Sir Alan Parsons were the only two members who were present at all these three meetings. More material ought to have been supplied to members and suitable time should have been given for discussion. The proceedings of these meetings are very scrappy. When the matter comes before the Assembly, owing to the shortness of time at our disposal we never reach the question of capital expenditure. Therefore, though no doubt you take the opinion of the Standing Finance Committee and also of the Assembly, it is done in such a shabby manner that you really follow the letter of the law and not the spirit of the law, and therefore, I think, the time has now come when you should change and modify the convention of 1924 and have better supervision and control over capital expenditure, because truly speaking we have no confidence whatsoever on the manner in which the Railway Board has been spending money recklessly and in many cases the expenditure was double and even treble the estimate and no explanation was ever given for this mistake.

Sir, the Honourable Member made a reference to debentures, and I think this is a point which we ought to discuss more closely and if possible we should have a special convention for this purpose, because no commercial undertaking can possibly have the high interest as the first charge, and if we have some portion of this thing adopted in the issue of the debentures and the remaining in the form of a fixed rate, then our position will be more cheerful. After the war we have raised capital at an average of 5·7 per cent., while the yield of all Railways is 3·7, a loss of 2 per cent. I suggested several times, especially in connection with the question of the purchase of the B. N. W. R. that if we could guarantee 3 per cent. to people and also participation in the profits, then I am positive there will be enough money forthcoming in India itself, because there are a large number of people who do not want to take interest at fixed rates but who would like to participate in loans of this kind which guarantees 3 per cent. and also gives them participation in the profits.

Sir, coming to the expenditure, I should like to refer to one very important point, and that is the Report of the Retrenchment Committee. This Committee had the opportunity to discuss only the expenditure connected with the Railway Board, and there we found that in the coming budget the expenditure had been reduced from 14·3 crores to 12·8 crores . . . . .

Mr. B. Das (Orissa Division: Non-Muhammadan): Why did you not discuss the whole railway expenditure in the Railway Retrenchment Committee of which you were a member.

Dr. Ziauddin Ahmad: We could not go to the running lines and we were not allowed to discuss that expenditure.

Mr. B. Das: Why? Did you get cold feet in the Retrenchment Committee, and did not examine every aspect of the question?

Dr. Ziauddin Ahmad: We find that the expenditure on running lines (operation) has been increased from 23 crores to 24·62 crores, and taking the expenditure as a whole, it remains almost stationary, it was 63·26 last year and 63·21 this year, *vide* page 8 of the explanatory memorandum.

Mr. B. Das: Why did you not . . . . .

Dr. Ziauddin Ahmad: Sir, I would like to have these minutes added to my 15 minutes.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): No, that cannot be done. If the Honourable Member objects he need not yield.

Dr. Ziauddin Ahmad: All right, Sir. We have been hearing all the time that so many thousands of people had been retrenched; so many thousands have been thrown out of employment; the salaries of T. T. Is. have been reduced to one-third by calling them under different designation, but still we find the expenditure remains the same. The retrenchment has really meant that you have reduced so many low paid Indians in order to find money for increased salaries and for promotions of officers. The fifteen minutes of my time do not permit me to go into all the details, but in the case of the East Indian Railway we find the gazetted officers have actually increased by 9 during this year, while men have been retrenched by 8,356! That is retrenchment of the men, and not of officers. In the case of the Madras and Southern Mahratta Railway, which is the most paying concern of all the railways yielding maximum of 6 per cent. against 3·7 for all Railways, there has been no increase or diminution in the case of officers. In the case of the Nizam's Guaranteed State Railway, that is the only railway in which they have actually diminished the officers by one and increased the men by 1,854.

Now, Sir, about the maladministration and getting sanction of the Assembly by incorrect quotations, I shall give two definite illustrations. One is the separation of accounts from audit. When the question was raised we were told that this would lead to economy, and on this clear understanding the Assembly accepted the recommendation, but we find that the expenditure is increasing by leaps and bounds; in fact, practically the expenditure has increased, nay, doubled: that is to say, the expenditure in 1924-25 was 1·03 crores and in 1931-32 it was 1·48 crores, that is, 46 per cent. higher than the expenditure in 1924-25.

The second point is the organization of Divisional Superintendents. We were definitely told on the floor of the House that the divisional organization was not more expensive than the old district organization. We were not allowed to examine this case by going actually to the Divisional head-

THE FOREIGN RELATIONS BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Sir Evelyn Howell (Foreign Secretary): Sir, I lay on the table the Report of the Select Committee on the Bill to provide against the publication of statements likely to prejudice the maintenance of friendly relations between His Majesty's Government and the Governments of certain Foreign States.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

Mr. President: Honourable Members will now proceed to elect six members to serve on the Standing Committee for Roads. There are nine 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.)

RAILWAY BUDGET—GENERAL DISCUSSION.

Mr. President: Order, order. The Assembly will now proceed to consider the Railway Budget. As only one day is allotted to the general discussion of the Railway Budget I have decided to fix a time limit of 15 minutes for each speech.

12 NOON.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I offer my thanks to the Honourable the Railway Member for the able manner in which he has presented a very gloomy Budget for the year. Sir, his cheerful disposition, his courtesy and his coolness have left a very good impression on the minds of the Members who came in contact with him, but I have been feeling rather keenly that some change is absolutely necessary. The Railway Member should be made responsible for all the statements or mis-statements in regard to railways that are made on the floor of the House. At present he considers commerce to be his main charge and railways as a secondary object. He should not sit here as an interested spectator. Sir, I will just say a few words about the discussion on creating a statutory body. I am strongly opposed to the creation of a statutory body for the administration of the railways because it would really mean handing over the control from the Assembly to a certain clique or a certain body of men, and we would have the same troubles with railways as we are having now in connection with the administration of the Imperial Bank. Sir, as far as this Assembly is concerned, I think we will fight tooth and nail for the administration of the railways to be directly under the control and supervision of the Legislative Assembly. Sir, during the last three years we were given a very hopeful picture in the presentation of the Budget, but unfortunately our expectations have not materialised. Last year we were promised an income of 102 crores, but the actual income was 90 crores. This year we have been promised an income of about 95 crores but I am positive that the real income will be much less than what is anticipated. On the other hand the expenditure is

always under-estimated. No payments have been made to the Government of India this year and no provision is made in the Budget for 1932-33. May I remind the Honourable Member of Article 2 of the convention which we passed on 24th September, 1924? It says:

"Subject to the condition that if in any year the Railway revenues are insufficient to provide a percentage of one per cent. on the capital at charge, the surplus profits of the next or subsequent years will not be deemed to have accrued for the purposes of division until such deficiency has been made up."

It consequently follows from this that the amount that has been left unpaid to us should be considered as a debt though it may be a debt without interest, and whenever good times come we should be able to realise the whole amount; and this fact should be indicated very clearly in the Railway Budget as well as in the General Budget of the country. We should not forget this fact.

Sir, the second point to which I should like to draw the attention of the House is the deficit of about 2 crores we have been having every year on the strategic lines, and this thing ought to be settled once for all. Either they should be treated as part of the military organization, in which case these 2 crores ought to be supposed to have been paid to the Government of India and debited to military accounts, or that amount should be absorbed altogether by the railways, and separate accounts should not be shown. Therefore, one of these things is absolutely essential, either you should put down these 2 crores on the debit and the credit side of the military accounts or absorb the whole thing in the general revenue and expenditure of railways. But the thing which I strongly object to is that the Railway Budget shows that the sum of two crores (odd) is paid to the general revenue, but the General Budget refuses to acknowledge it. Sir, in the convention which I have just quoted and to which I drew attention two years ago, there was an important omission made and it was the control of capital expenditure. We provided in Article 8 that the whole convention should be reconsidered and revised, after three years. I think the time has now come when we ought to revise the convention and provide better supervision on capital expenditure. As soon as the railway accounts were separated from the general accounts, the Railway Board wrote letters to the Agents of the various railways asking them to spend the money as quickly as possible and with as little consideration as they could manage—I say it with full responsibility, because I am going to prove the whole thing by actual facts. We find that in the new construction they have spent 45 crores of rupees during this period, and on each occasion at the time of demanding sanction a guarantee was given that the expenditure would yield an income from 5 to 13 per cent., but taking all facts into consideration we find that the income is only about 1 per cent. Therefore, I would like to know whether the Honourable Member could explain to us to-day why their assurances were falsified. These new constructions were undertaken by giving a strict guarantee to the Railway Administrations who fully satisfied themselves that they would yield a particular rate of interest, but we find from experience that the yield is only about 1 per cent., and not from 5 to 13 per cent. which we were originally promised. No explanation was ever given by any Railway authority.

Coming to the capital expenditure on the running lines we find the case is still hopeless, because the expenditure on running lines is practically a dead loss and no income can be derived from it. Under this head during

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quarters and to the headquarters of the railways. (*An Honourable Member*: "Why not?") Otherwise we would have proved conclusively that this organization has certainly not proved less expensive. If this thing was organised on the analogy of the German railways, it was forgotten that Germany has only one Agent. This divisional organisation could only be satisfactory if we abolished all the agencies and had one Agent for all the railways. Have either the one or the other. Either have so many Agents and district organisations, or have one Agent with so many divisional organisations and preferably identical with territorial divisions as in Post Office. But if you have so many Agents over and above divisional organisations, it is bound to be more expensive, it will lead to duplication of work, duplication of work in all directions,—engineering, transport and other aspects of the railways. The Agents will either be post offices and if they function, they will be the extra wheel. Just one sentence as regards the recruitment of Mussalmans. I could not discuss it at this stage, but I may just add one sentence that their promotions and employments depend upon methods which we would not adopt if we could and we could not adopt if we would.

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

Sir Hugh Cocke (Bombay: European): The Honourable Member who has just spoken in his opening remarks referred to the question of capital expenditure, and he rather took the Government to task because they had embarked upon schemes which according to the estimates were likely to produce a certain figure of return but which did not in fact produce that figure of return. Sir, it is very easy to be wise after the event, and I think this House has got to share the responsibility for those schemes which were embarked upon five, six or seven years ago. I was on the Railway Finance Committee at that time, when all these schemes were put before us. We had a scheme for, say, 50 miles of railway line, and as far as it was possible to work out an estimate, estimates were worked out and they were gone into in some detail in certain cases in that Committee. That Committee, as far as it could be satisfied, was satisfied that the particular return anticipated, say it was 5·65 per cent., was a justifiable estimate. Now, the Honourable Member comes to the House and says the Government ought not to have embarked upon that scheme because, in fact, it has only produced 2 per cent. or no per cent. at all. I do not think that that criticism carries us very far. Every one was agreed I think five years ago and more that it was essential to develop the railways of India. The mileage of Indian railways was comparatively small, and money was available on loan at a lower rate of interest than the rate that it was anticipated would be earned on the projects embarked upon. Therefore, I say it is not entirely a matter for the Government to accept responsibility for these schemes which have not so far been justified by results. We have passed and are passing through very exceptional times and we have got to shoulder the burden as we find it. The rate of capital expenditure for the last three years since the advent of the present Finance Member has slowed down very considerably. We may say that in Sir Basil Blackett's time it was a period of optimism, but very soon after he went, clouds began to gather and the financial outlook became very different, so much so, as I have said, that the capital programme had to be cut down very considerably. Roughly 9

crores of rupees were spent in 1930-31; that was reduced to Rs. 5½ crores in the current year, and in the next year we shall be down practically to 3 crores. But I think that we must always look ahead in this matter, because it is no good assuming that we are going to be continuously in the state of depression in which we find ourselves to-day. We have got to look ahead and consider what developments to pursue when better times come along. Obviously we cannot spend a lot of money at the present time on examining projects, but we have at any rate to make up our minds on the policy that must be pursued, and it is in that connection that I want to say a few words this morning.

I do not know how many omnibuses there are running parallel to Indian railways to-day. But supposing there are 10,000 and supposing each of them takes Rs. 10 daily from the railways, it comes to one lakh a day, or say, 3½ crores a year. Double the number of buses, or keep the same number of buses and assume they earn Rs. 20 a day, and you have got Rs. 7 crores a year taken from the railways. I venture to submit that in the future we may have to regard the problem of roads and railways together. We have got to have a common outlook, and instead of having a Railway Member, what we want is a Minister of Transport. It is perfectly absurd for the railways to be managed in the way they are—it is perfectly absurd to my mind that they should run their own show and compete with and fight road development. The two ought to be worked together. You have got many buses of course feeding the railways to-day and they are valuable in that respect. But you have also got a very large number competing. It does not matter where you go, you see hundreds of these buses running on parallel roads to the railways. I suggest in the future that, instead of developing feeder lines, it will probably be very much better to devote your funds to develop the roads. I know it has been discussed whether the railways have really got powers to raise money to build roads to feed their railways. That is a somewhat doubtful question perhaps, but it is a matter which can be put right. The point I want to stress is that it is absurd that the railways and roads should be run in watertight compartments, that the railways should really be in opposition to road development. The present Railway Member is leaving us, much to our regret, and it is not for him to solve this problem, but I have no doubt he has given considerable thought to it during the last five years. It is one which will have to be considered very carefully in the future, and I venture to think that we have to consider this matter as a matter of transport rather than as a matter of railways.

On the question of the results, I think it is rather a pity that we are not given a rather more lucid comparative statement of results. I have no fault to find with the figures as they stand, but they do not go far enough. For instance, if we want to ascertain final results from the Memorandum, we cannot do so. (I have no doubt it is all in the accounts—I am talking about the Memorandum which is the first thing that one looks into.) I find the figures for 1930-31 are on one page and those for 1932-33 are in another, and we have got to put them together to get a comparison. Then, again, they do not go far enough. They have given the result of the working, but the disposal, the appropriation, the relation between results and the Reserve Fund and the Depreciation Fund—that is only given in the manuscript of the speeches, and I have had to ferret it out for myself. It is interesting

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to note that, whereas the results in 1930-31 showed a loss of something like 5·18 crores, that, together with the contribution to Central Revenues which was paid for that year, amounted to just under 11 crores, which, of course, was met entirely from the Reserve Fund. That was the last year in which the contribution was paid. That is a fact which I had to find out because I was not quite sure that the contribution of Rs. 5·74 crores was made in 1930-31 for the last time and I had to get it from the manuscript of the speeches. But, then, in the next year there was a loss of Rs. 9½ crores and the Reserve Fund was, as you know, unable to meet that in full. It met it to the extent of Rs. 5 crores, and we were left with Rs. 4½ crores, which for practical purposes we carried forward. I know we are told that it is being met by a loan from the Depreciation Fund. That is quite true, but for practical purposes we are providing in our accounts each year working expenses *plus* depreciation. That is a charge correctly made and therefore what it really amounts to is this. In 1931-32 we have an estimated loss of 4½ crores, which we have got to carry forward to 1932-33, and on our Budget figures of 1932-33, we are anticipating a loss of 7½ crores, and those two figures together will amount to a loss of 12 crores, which we have to make good out of future profits. If we are going to have a sustained period of depression with a loss of 5 crores or thereabouts every year for a period of years, it will be a serious matter, because it is not merely a question of temporary borrowing from the Depreciation Fund. We are piling up losses which will have to be made good out of future profits, and, as the Honourable Member explained in his Budget speech, we cannot do it by stopping our dividends. The interest has got to go on being paid, as we are financed by debenture loans, and therefore we are piling up losses to-day which have to be made good out of the profits of future years and this is a matter which has to be very carefully watched.

In conclusion, I should like to say that it is a matter of great regret to me that this is the last occasion upon which Sir George Rainy will be introducing the Railway Budget in this House, and I think this House owes a very great debt of gratitude to him for the services he has rendered. Perhaps not many who are now here were present in the Assembly when Sir Charles Innes brought about the separation, and I shall always consider that it was the finest piece of work which Sir Charles Innes did, and it has had very practical results, and the way we are benefiting to-day, as a result of the separation, is very encouraging. Obviously the future is black, if we are going to make continued losses, but assuming that these are going to be only temporary, I think the convention, which was established by Sir Charles Innes, has stood the test of time reasonably well, considering the extraordinary conditions with which we are faced to-day.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Unlike the General Budget, the Railway Budget does not contain any great surprises. At the time the General Budget is presented by the Finance Member, we always attend to the speech of the Finance Member with great care and anxiety and we are always anxious to know what the financial results of the year are going to be, but in the case of the Railway Budget my Honourable friend the Commerce Member does not rouse in the minds of Honourable Members on this side of the House any such misgivings or hopes. Those who follow the figures of railway earnings from week to week in the *Gazette of India*,

realise long before the Railway Budget is presented, what the financial prospects of the railways are going to be in the current year. In this particular case the Retrenchment Sub-Committee of the Railways had the occasion to examine even as early as July last the possible financial position of the railways in the current year and for some years to come, and those Honourable Members who have read the Report of that Committee will realise that, even as early as September last, the Committee anticipated that the current year would close with a deficit of 7 crores. The figures given by my Honourable friend the other day actually revealed a deficit of over 9 crores. Sir, after listening to the speech of my Honourable friend, I was really at a loss to know what it is that I should discuss during the general discussion to-day. The Budget that my Honourable friend has presented to us might in a sense be considered as a sort of consolation Budget. We feel a sense of relief that things are not worse than what they actually are. That is the feeling with which we are left after listening to the speech. I think, Sir, the problem that now faces us is the problem of the future of Indian railways. The Indian railways have, I think, now reached a turning point in their history. During the five or six years beginning from 1923-24, the Indian railways were enjoying a period of prosperity, and the gross traffic receipts were in the neighbourhood of 100 crores. In certain years they went up as high as 103½ crores, and what we have to ask ourselves to-day is this, whether in the next five or six years we can anticipate the railways earning anything like 100 crores. The Railway Retrenchment Sub-Committee very carefully examined this question with the help of the Members of the Railway Board, and we came to the conclusion—and as each day passes we are convinced that our conclusion in this matter is correct—that the railways have now definitely reached a stage when, for some years to come, they cannot expect to earn more than 90 or 95 crores from gross traffic receipts. Even taking the gross traffic receipts as 92 crores, which will be 5 crores more than what is budgeted for in the coming year, we find that even if expenditure is kept at the present level, which it will be very difficult to do with the existing order of things, working expenses will come to 64 crores, leaving the railways a net earning of only 28 crores per annum. Our interest charges alone come to 33½ crores of rupees, with the result that we are short of 4½ crores even to meet our interest charges. If to this is added the annual contribution of 5½ crores which the railways are called upon to make to the general revenues, Honourable Members will realise that the problem before the Railway Administration in future is to make good a deficit of over 10 crores of rupees per annum. I maintain that the position looked at from this point of view is rather a serious one. The Railway Retrenchment Sub-Committee was charged with the task of finding out economies, and in the time at our disposal we were able to examine only those items of expenditure which could conveniently be examined from headquarters as it were. On account of the time at our disposal and the enormous number of questions that came up for solution, we felt that mere tinkering with the problem of the Indian railway administration will not do, but that what is wanted is a thorough overhauling of the entire railway system, if necessary. It is for this purpose that we recommended the immediate appointment of an expert committee to go into the whole question of railway administration in India. We expected that this Committee would be working almost immediately, but unfortunately the Committee has not been appointed and I have been assured by my Honourable friend the Commerce Member that if the Committee has not been appointed, it is no fault of the Government

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of India but it is entirely due to the fact that within the short notice that they had they could not get the right type of men to serve on this Committee. I very much hope that at least during the next cold weather this expert Committee will start its investigation and I shall take this opportunity of impressing upon my Honourable friends opposite the need for getting one or two absolutely first-rate men with experience of English and Canadian railways, with whom might be associated men with experience of the working of Indian railways, to overhaul the system here and examine the railways from the point of view of enabling them in future to make good this deficit of 10½ crores. Sir, if the railways are to satisfy the criterion laid down by the Inchcape Committee that they should earn 5½ per cent. on the capital at charge, then they would have to make good a deficit of 12½ crores per annum. I hope therefore that during the next cold weather this expert Committee will start this investigation.

My Honourable friend, Sir Hugh Cocke, referred to a problem which is of tremendous importance for the future development of the Indian railways, and that is the possible competition of railways with road motor traffic. In viewing this problem, I think the conditions in India are radically different to the conditions that prevail in England. For one thing, in England, with short distances, it is very difficult to eliminate motor competition, and for another thing, the English railways are all owned by private companies. Therefore, the Government in England cannot very well discriminate between one form of private transport and another form of private transport. I maintain, Sir, that the conditions in India are entirely different. Here, luckily for us, the railways of India, with negligible exceptions, are a magnificent State property, built up by the taxpayer's money. That being so, it is up to the State here in India to safeguard the interests of the 750 crores of the taxpayer's money invested in Indian railways; and if my contention is correct, then I maintain that the State in India would be entitled to assume control over the regulation of motor traffic in such a way that that traffic will not come seriously into competition with the railway system in India. Sir, I think there are several instances in which motor cars run along a route parallel with the railway in many parts, and I consider the continuance of such a system anything but an absurdity. The Government of India should not permit me or any private person to build up a railway parallel to the one they have got. Why? Because they do not want that any railway should come into competition with their railway system. For the same reason I do not myself favour the running of motor traffic on parallel lines. (*An Honourable Member*: "How?") If by one form of transport you reduce the railway earnings, you thereby endanger the investment of the taxpayer in this great concern. I contend therefore that the State in India must retain the power of regulating motor traffic so that it will not come seriously into competition with the Indian railways. Sir, if a wise policy is pursued in this direction, it need not detrimentally affect railway traffic. India is a very peculiar country. We have got nearly 40,000 miles of railway. I say, let there be some co-ordination of policy, with the result that your motors will run at right angles rather than parallel, and act as feeders to your railway system and not as downright competitors. This problem I think will assume serious proportions in the future constitution. I want to raise the question whether steps ought not to be taken now to make some provision in the future constitution so that this conflict of interest might not arise. Road traffic is an essentially provincial subject and the future federal provinces might claim the right to develop it as they please and thereby seriously injure the railway system. I therefore propose that the Government of India must immediately take some steps for the examination of this question, so that when the whole question of the classification of subject between the federal provincial Legislatures is being examined, some provision will be made for a scheme of co-ordination between the federal Ministry of Transport and the Local Governments whereby there will be a co-ordinated policy of transport and no conflict of interests between the railway system in India and the motor traffic system. I hope, Sir, the Government of India will pass on this suggestion to the necessary quarters, and I hope that they themselves will begin to devote their attention to this aspect of the problem. I do not think, Sir, I can say anything more at this stage. My Honourable friend the Commerce Member in the concluding part of his speech struck a personal note. I wish to join my Honourable friend, Sir Hugh Cocke, in paying my own tribute to the great work that my Honourable friend has done. (Applause.) I have no doubt that he will himself realize that behind the parliamentary ferocities of Honourable Members on this side of the House, there has been no personal malice or animosity against him (Hear, hear); even though some of us have been very harsh in our criticisms, we have always appreciated the genial courtesy and kindness of my Honourable friend (Loud applause); and let me assure him that while in his retirement he will look back with pleasure tinged with regret on the days that he spent with us in the Indian Legislature, we also shall for many a long year to come remember his genial and charming personality in this House and the great work that he has done for India.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, I am sure the Honourable the Commerce Member would be the last man to thank me if I were to congratulate him on his speech. I join with other Members of this House in admiring him for the able manner in which he and the Railway Board have faced the serious difficulties of the past year. But while I listened to his speech, it struck me more as a lament and an apology for the action the Railway Board had taken during the past year in its fight against stupendous odds. Sir, time was in this House when we used to laugh at Budgetary deficits of 16 to 20 crores. Today we are faced with a deficit of 9½ crores; and if I judge aright the attitude of the Honourable Member and that of the Railway Board as mirrored in their policy of retrenchment, it strikes me that they are suffering from a bad attack of funk and nervousness in their feverish efforts, amounting to an epidemic of retrenchments, to increase their revenue and reduce their expenditure, mainly at the expense of their subordinate staff. Sir, the national debt of England is about £4,000 million. The national debt of this country is somewhat over £400 million. Last year the French railways lost over £25 million and the Canadian railways, with half the mileage of India, show a deficit of 59,000 dollars in their debenture interest, and yet they have not resorted to measures of retrenchment in like fashion. Sir, whatever these measures are—and I am in favour of trying in every way to balance the Budget—let us consider a little in detail what these measures have been. The first measure is that of retrenchment. Sir, I know the Railway Board have tried to be as kind and as considerate as possible in the various orders they have issued regarding their policy

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and method of retrenchment, but I should like to ask whether it is not a fact that the Agents of the Railways have not interpreted and operated these orders in strict accordance with the orders issued by the Railway Board. I know for a fact,—indeed we have only to look at the Report published by Mr. Hassan in order to corroborate what I have stated. Personally I openly charge the Railway Agents with not carrying out the orders prescribed and this is evidenced by the varying procedures of retrenchment as practised on different Railways. For instance, on the G. I. P. Railway retrenchment utterly regardless of communal percentages as ordered by the Railway Board was started in the early part of last year though the Railway Board's order was dated in March. On the E. I. Railway it started in July. On the E. B. R. it started earlier. Whereas any serious retrenchment of officials started later, *i.e.*, towards the end of the year and then only after pressure was exercised on the Railway Board, months after subordinates of the Railways had borne this burden, and suffered from its attendant sacrifices and privations. But the other Government of India Departments did not start their retrenchments or reductions in pay until the 1st January of this year. I ask! Was it fair that subordinates of the Railway Department alone should have carried this burden and suffered such hardships? I submit, Sir, it was not fair. Again, if you will compare the way in which retrenchment has been carried out between subordinates and officials, you will appreciate the invidious differences made. While various and multiple means have been used to retrench subordinates, such as, discharges, demotion at times to an inhuman extent of ¼ the original salary as in the case of T. T. Is., enforced leave on half pay, reduced allowances, etc., and on the top of all these reductions a 10 per cent. cut was made (and I would add no such demands have been made on any other class of Government servant), Railway officials have enjoyed a comparative immunity from such deductions and it was only recently that a 10 per cent. cut was made with minor deductions in allowances. Sir, Railway subordinates are very grieved at this difference of treatment between them and other Government servants as also Railway officials, and there is the spirit of restless anxiety and resentment amounting to open hostility against the Railway Board. In my opinion there was no occasion for any retrenchment because in the ordinary course of retirements from Railways, I understand about 30,000 go out every year. So, if the Railway Board had waited for 2 years, they would have got 60,000 employees without resorting to retrenchment. Now, Sir, take the number and manner in which these subordinates have been retrenched and compare it with the way in which the officials have been treated. The Honourable Member himself said in his speech that 169 official posts have been retrenched consisting of new construction posts, no doubt all temporary appointments, the deputation reserve of 4 per cent., training reserve of 41 posts which posts have never been created, that 28 posts were held in abeyance and only 31 posts had been actually abolished. I should like to know how many officials have been actually retrenched. I do not want to know of appointments that have not been created or held in abeyance. What I want to know is, how many officials have actually been axed?

Now, Sir, I shall deal with another point. I desire to associate myself with the Honourable the Commerce Member in the very appreciative remarks he has made about the loyalty, devotion to duty and the patriotism of the subordinate railway staff. There is no doubt that the staff has

splendidly borne and continues to bear the great burden of retrenchment, but I should like to warn him that there is a limit to their sufferings and their loyalty. It is not right that they should be made to still further suffer. If rumour be true, I understand there is to be an additional cut in their salary. I desire to warn Government not to exploit the loyalty of these workmen any more by asking them to bear any additional burden, for they will not stand the strain. Why don't you increase your tariffs and rates and save your servants from this burden? What have you done? You have reduced your staff on the Railways because traffic has lessened. But do you not realise that in reducing your staff you have not only *ipso facto* increased the work of the retained staff and added to their labours but on the top of this you have cut their salaries by 10 per cent. after having reduced their substantive salaries in some cases to less than one half. This, I submit, is too heavy a burden on the subordinate staff and I think the time has come when the Railway Board must realise that this must end and devise means to place this burden somewhere else, for the men will not stand it any longer. Let it fall on the general public rather than on your public servants. Another point I would like to discuss is the co-operation between the Railway Board and the Railway Agents and Administrations. Again, I would like to refer to the Report of Mr. Hassan in many pages of which he has proved conclusively that the Railway Agents throw most of the Railway Board's orders into the waste paper basket. They take little or no notice of them. The result is that multiple systems of retrenchment are in operation because Railway Agents send their orders to the Heads of the departments and Heads of the departments send them to the Divisional Officers and there they remain and no notice is taken of them or as one of the Loco. officials stated before the recent Court of Inquiry he passed the orders on to his subordinates to operate. This fact very largely accounts for the way in which Muslims have been retrenched and recruited on Railways. I congratulate Mr. Hassan very heartily on his Report for every page of it is evidence of the great labour and skill he has given to the subject. By his labours he has supplied us with averages and percentages which I believe will be of great benefit in our discussions. That Report has pre-eminently shown two points. It has shown (1) the inadequate recruitment of Muslims on Railways although there is an ample number of qualified men for recruitment and (2) the preponderance of Hindus in every grade of Railway employment. In this connection, I would like particularly to refer to the Railway Accounts Department where 83 per cent. employees are Hindus and 9 per cent. are Muhammadans. In the Accounts Department of the Eastern Bengal and Assam Railway 93 per cent. are Hindus and 3 per cent. are Muhammadans. In the East Indian Railway Accounts Department 92 per cent. are Hindus. Sir, I submit that this state of affairs is not only due to the absence of co-operation between the Railway Board and its Agents but to the utter disregard amounting to disobedience of orders by Railway Agents and Heads of departments who should be at once served with charge sheets of insubordination and punished. Another matter that I would like to touch upon is the treatment accorded by Agents to the various Railway Unions. I openly charge Railway Agents, with one or two exceptions in which I include the Agent of the B. N. Railway who has shown political sagacity and foresight, with having shown little or no sympathy with Railway Unions and so disobeying the orders of the Railway Board. I know that the Railway Board has advised them to show greater help and sympathy. I would ask the Railway Board to take note

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of this and to instruct their Agents to carry out their orders and so stop a growing feeling of mistrust between employer and employee.

Now, Sir, I desire to deal with other points regarding retrenchment. There is one school of thought that says we should not retrench at all, instead we should re-employ all those retrenched and maintain them by increasing our rates and tariffs especially the 15 per cent. surcharge that is placed on coal. With that school of thought I have great sympathy and I regret the Railway Board did not see the advisability of raising a loan so as to keep open the Railways and so encouraging industry and tapping new areas instead of wanting to close these down. Sir, I join with Sir Hugh Cocke in what he said regarding the constitution of the Railway Board. India is at the parting of the ways in regard to its railway administration. Hitherto Indian railways which have a mileage of nearly 50,000 miles and which is unparalleled in the history of the world have been controlled by the Railway Board whose members are recruited from the various Agencies and Heads of departments of various Railways. Sir, I do not deny that these members have done excellent service as far as their training, experience and ability have allowed them, but faced as Indian Railways are today with a world-wide trade depression and faced as Indian revenues are with intricate business and commercial problems demanding the attention of expert business men, I submit with all respect to the Railway Board that its members, being inexperienced in such affairs, are not the right persons to control such a huge Railway administration and that the time has come when the Railway Board must be reorganised and administered on sound up-to-date commercial lines. I admit in the present Board we have got some exceptionally able men, men with great talents and worth. I regret we are about to lose our Honourable Member in charge of Commerce and Railways, one who has shown great talents in the administration of Railways. I join with my friend Sir Hugh Cocke and the Deputy President in thanking him for what he has done, particularly for what he has done for the community I have the honour to represent in this House and in bidding him adieu, let me say of him:

> "Let us now praise famous men,
> Bayards whom we follow:
> They with toil of their 'To-day'
> Bought for us 'Tomorrow'."

I join with them in wishing him good health and Godspeed when he retires. Sir, I do consider that with one or two exceptions, the present Railway Board is not constituted and managed properly. Let us for a moment reflect and see from where we recruit its members. Agents or Heads of Railway departments are at present recruited as Members of the Railway Board. This I submit is not the proper field of recruitment. In its place I would suggest that the Railway Board should consist of two separate committees. There should be a committee of technical experts recruited from the various Indian Railways and from men who have experience of railway matters. The second body should be a committee of businessmen recruited from the best business brains in this country and the chairman of this committee should be a businessman of world-wide reputation and experience. These two committees should be responsible for Railway administration to the Honourable Member who

should be responsible to the Legislature. This Honourable Member should not hold the portfolio of Commerce and Railways as he does today but of Roads and Railways only. In this criticism it is not my desire to belittle or deprecate the work the present Railway Board have done for they have faced a very difficult situation very bravely, but Indian Railways today demand the control of the best business brains available; not technical experts such as Railway Agents are with no business foresight. The Honourable Member in his acceptance of an Expert Sub-Committee to enquire into Indian Railway administration as recommended by the Railway Retrenchment Sub-Committee practically admits the need of a reconstitution of the Railway Board.

There is one other point which I want to discuss. I refer again to Mr. Hassan's Report. Mr. Hassan has referred to certain matters in that Report which are very important to the various communities in India. He has advocated certain communal employment percentages but, though I agree with a lot of what he has said, yet there are certain fundamental points on which I am in distinct disagreement. He has fallen into a grave error when he compares the population of a community with the total population of India and on this basis works out its percentage of Railway employment. To illustrate my point—there are 800,000 employees of all kinds in Indian Railways. They are divisible into menial, subordinate and official. For menials no English education is demanded. For subordinates, you do desire English education. I therefore submit that while the total population of India may be accepted for menial employment percentages, it is only the total English educated population that can be so utilised as one's basis for subordinate Railway employment. Taking this as the more correct basis one will find that many of the recommendations of Mr. Hassan fall to the ground; indeed it will prove that many of the percentages he has advocated should be altered and as far as the Anglo-Indian community is concerned it has been given its correct percentage in subordinate employment. I respectfully offer this to the Honourable Member for his serious consideration.

1 P.M.

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

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I sympathise with the Honourable the Railway Member for having had to present, just on the eve of his retirement, a very gloomy Budget which is a deficit Budget, on account of circumstances over which he or anybody else had no control. Trade depression is universal and has spread all over the world. It is not peculiar to us. It was impossible under those circumstances to have presented any other Budget than one of the kind which has been presented by the Honourable the Railway Member. I must congratulate him for the cheerfulness with which he has met this bad situation, and I assure him that when this Assembly meets next time at Simla and we do not find him in his place, every one in this House will be feeling very sorry to miss him.

There are only one or two points which require any comment in this Budget. I must in the beginning reply to one criticism levelled by my Honourable friend Dr. Ziauddin Ahmad at the way in which the meetings of the Standing Finance Committee have been held. I have been a Member of this Committee for many years and I had no grievance. I can

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assure him and this House that I had no grievance of any kind for holding the meeting at the time or the way in which the meetings had been held. If they were held on one or two occasions at 5 o'clock in the afternoon, that was simply on account of the fact that it could not be held at any other time. The day to which my Honourable friend Dr. Ziauddin Ahmad referred as to why the meeting was held at 5 o'clock, on that day the reason was that the meeting was held with the full consent and the full concurrence of the Members who had been present on a previous occasion, and that time was suggested by the Members of the Finance Committee. It may have happened that, on account of circumstances which were not foreseen at the time when the time was fixed, as members were prevented from attending as that happened to be a day in the month of Ramzan. It is not right for my Honourable friend to say that the meetings were held in which only one Member, Mr. Sykes, had been present. In my whole time as a Member of this Committee I have missed only one single meeting and that was the only one held at 5 o'clock on that day. It was the Ramzan month and we had finished practically the whole business before us on the previous day and there were only one or two items remaining in which Sir Alan Parsons required the co-operation of all those Members also who were not present on that previous occasion. It was on account of those Honourable Members and for their convenience that it was postponed on that occasion. As a matter of fact, when the Budget came before the Finance Committee, we knew there was practically no work before the Finance Committee. The Committee has to give its sanction for new expenditure, while on the contrary we were required to meet in the Finance Committee to give our sanction to the curtailment in the previous expenditure which had been going on.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): And do no work.

Mr. Muhammad Yamin Khan: If my Honourable friend had liked to be present and do some work, I should have been very glad. It was a meeting simply to get the sanction for an expenditure which had previously been sanctioned and for which there was no money available then and those items had to be taken out from the Budget. When Honourable Members did not take any care to know what kind of business was transacted, it is not right and proper to criticise the functions or the working of any Committee, but they should take care beforehand to know what was the nature of the work and the reason why Members were not present on that occasion.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Ten minutes are nearly over and yet the Honourable Member has not come to general discussion on the Railway Budget.

Mr. Muhammad Yamin Khan: My Whip and my Members will act just in the same way when the Members on that side will be speaking. Now, I want to refer to one or two things which my Honourable friend Sir Henry Gidney touched upon, namely, that there should be no further reduction in salaries. I say there are only two ways in which to meet the present situation. One is the income should be increased and the other is the expenditure should be decreased. First of all the income can be

increased only by increasing the rates and fares. But this suggestion can be summarily rejected. No proposition of this kind will be acceptable to this House in any way. Then the only two ways of reducing the expenditure will be either by reduction of salaries or by reduction of the posts. I think I will be voicing the feelings of the whole House if I say that Honourable Members would not like the reduction in posts. Then there is only one course left, that is reduction of salaries. That is the only possible way left for meeting the future deficit in the Budget. But what should be the reduction in salaries? I will leave it to the Retrenchment Committee to suggest that in co-ordination with the Railway Board. I must point out one thing, and it was referred to by my Honourable friend Mr. Hoon last year, but I am sorry to see that he is not present to-day. He said, "If the expenditure goes on in the way in which it has been increasing and five crores had been taken out of the Reserve Fund, then there would be nothing left as reserve for future years"; that prophecy which he made last year has come true unfortunately. He drew attention to the salaries paid to railway officials in Europe and in America, and pointed out that they were not paid as high salaries as are paid in India. One tendency which has been growing lately in all departments, including the Railways, is that everybody demands the same salary which is paid to the Civil Service. There may be justification for paying high salaries to the Civil Service, but there cannot be any justification for paying the same salaries to other persons in the other departments of the Government of India. (*An Honourable Member*: "Why?") The first reason is—and I am talking of the present situation—that a Civilian nowadays carries his life in his hands. No Civilian who is working in the districts can say that his life is safe. Then the responsibility which their post carries requires a different salary to be paid to them. Then again the qualifications, which they have to acquire before their employment, require a different treatment than we would be justified in giving to people whose duties or qualifications are not of the same kind. The only policy to be adopted is that in the Railway administration there should be some kind of limit on the salaries. There should be a maximum and a minimum fixed. I suggest a minimum, because nobody can live below a certain standard, and I suggest a maximum because there will be no justification for allowing a salary beyond a certain limit fixed by the Retrenchment Committee.

Then, Sir, another point to which I would refer is that I whole-heartedly support the suggestion which has been made by my Honourable friend, Sir Hugh Cocke, and so ably supported by the Deputy President, that a Road Development policy is absolutely necessary, by which the motor traffic can be diverted, rather than leave it to compete with the Railways. That is a suggestion which I think will find good support in the House.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, when we are told that the reserves have been completely wiped out and when we are told that the Depreciation Fund has been depleted, one would consider that the circumstances disclosed in the Budget are bad enough. But the Honourable the Deputy President said they could be worse. It requires the optimism of the Deputy President and the philosophical calm of the Honourable the Railway Member to view with equanimity the forebodings of the future when such circumstances are disclosed. It cannot be gainsaid that the expenditure incurred on the Railways has been very heavy and that we cannot afford it. It is said that every

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attempt has been made to retrench expenditure. A Retrenchment Committee has been appointed and the Honourable the Deputy President said that they were only able to deal with the expenditure involved in the maintenance of the Railway Board and other branches of administration located at headquarters. Thus it would seem that the expenditure touched by the Retrenchment Committee was something like 18 or 20 per cent. while 80 per cent. of the expenditure involved has not been touched by anybody; and therefore we are not placed in a position to judge what retrenchment is possible, unless Government themselves come to our aid, and enable us to see ways and means by which expenditure can be reduced. As we are not in a position to deal with 80 per cent. of the railway expenditure, we have to confine ourselves now to that expenditure that has been dealt with by the Retrenchment Committee, even though it is only 20 per cent. which has been touched by them. The Retrenchment Committee made several recommendations, but those recommendations have not been carried out fully. In their Report we find that among the superior staff they recommended that the number of officers should be reduced from 25 to 18; and the most notable feature of that recommendation was that the number of Members of the Railway Board should be reduced from three to two. But what did the Government do? Did the Committee recommend anything very extraordinary there? No, Sir. In recommending the reduction from three to two, the Retrenchment Committee was only asking Government to keep to the strength which was there in the year 1929. Therefore I would like to ask, what is the use of Government asking us to co-operate with them? What is the use of constituting these Retrenchment Committees if after making recommendations which are reasonable and against which there is no Government opinion, these recommendations are not carried out by Government? What useful purpose is served by these Retrenchment Committees and by discussions in this House?

An Honourable Member: Retrenchment of subordinates.

Mr. B. Sitaramaraju: If retrenchment of subordinates is the only policy of Government why don't they honestly say so? We will have nothing to do with it if we cannot effect retrenchment of the superior staff.

I will now draw attention to another item which was recommended by the Retrenchment Committee. It is the old question of audit and accounts. It has been mentioned by one of the speakers that expenditure is found to have increased in this direction during the last five or six years by 46 per cent. To be exact, the expenditure in 1930-31 was 151 lakhs, *i.e.*, exactly 46 per cent., while the increase in the general charges during that same period, *i.e.*, from 1924-25 to 1930-31, was only 20 per cent. Here in this item we find expenditure increasing by something like 50 per cent. And what is more interesting to note here is that when the Financial Commissioner was asked about it, he agreed that the expenditure involved under this head was certainly heavy, but he could not suggest any ways and means for reducing that expenditure, and the members of the Retrenchment Committee have made a special note on that aspect, expressing their inability to make detailed suggestions. Why? Because the Financial Commissioner said he could not help them as the Controller of Army Accounts was not able to furnish him with the analysis for the growth of the expenditure, and therefore the Financial Commissioner was not able to say anything about retrenching this expenditure. He could not suggest

anything for the reduction of that expenditure because the analysis was not before him and the Retrenchment Committee could not say anything because that analysis was not placed before them even when they were sitting over these accounts. From the tables furnished by the Committee, we find abnormal expenditure was incurred by the separation of this audit and accounts. It may also be interesting to note in this connection that when the separation of audit from accounts was first broached before this House, this House agreed to the separation as an experimental measure on a certain understanding, and that was that this separation would mean a definite saving by this change in the system. In this connection, I would like to read, Sir, a few lines from the Retrenchment Committee's Report:

"We observe", says the Retrenchment Committee "that when the Standing Finance Committee for Railways accepted the proposal, it was estimated that the ultimate net financial effect of the proposals was an annual saving of Rs. 1,97,000 after paying for the cost of the independent audit establishment amounting to 13½ lakhs per annum, and that, in addition, substantial economies amounting to several lakhs of rupees in other than establishment charges would follow the extension of the system to all railways. We also note that Sir Frederic Gauntlett, the then Auditor General, in recommending that the experiment be accepted as a success and be adopted as a permanent measure and extended to other railways, was partly guided by the expectation that the separation could be effected with some eventual saving in the total cost of Accounts and Audit taken together. We have no doubt that both the Standing Finance Committee for Railways and the Legislative Assembly were influenced to a considerable extent by the saving promised."

An Honourable Member: It was a stunt.

Mr. B. Sitaramaraju: But, Sir, instead of these savings, what has actually resulted? There has been a considerable increase in the expenditure. All those officials who have been examined by the Public Accounts Committee and the Retrenchment Committee were practically unanimous in the opinion that the separation has not done any good and that if there is any reversion to the old system of the combination, there can be a possibility of considerable saving. Further, Sir, they were of the opinion that in the matter of higher audit, the system of combination will be far more advantageous than separation. Even in the audit taken as it is, we find that expenditure has been very considerable under this head. The Auditor General himself has admitted before the Retrenchment Committee that it was heavy, but he could not make any suggestions for reduction of the expenditure. If there is no general desire on the part of the Government to come to the aid of the Retrenchment Committees and other Members who have been co-operatng with them to find ways and means to reduce expenditure, then what possible good can there be in discussing this Budget?

I wish to turn to another point, and it is this. Mention has been made about the statutory creation of the Railway Board. Sir, the circumstances under which this suggestion has cropped up in the Reports of the Round Table Conference are disclosed by a perusal of those records. There the Right Honourable Srinivasa Sastri asked the Chairman of the R. T. C. how, when the question of the statutory creation of the Railway Board was not actually discussed by them in the Report, the passage relating to the statutory creation of the Railway Board found a place there. Sir, the answer was that a mere examination of the question

[Mr. B. Sitaramaraju.]

would do nobody any harm. Then, Sir, when we were sitting in the Standing Finance Committee a proposal was made for providing the expenditure for the examination of this question, and I raised an objection to the proposal that we were not prepared to accept anything of this kind. We wish jealously to guard the privileges of this House, and we would resist with every possible power in our hands to see the Railway Board is not taken away from our hands and from our control. In spite of my dissenting note, it was agreed by the Committee that this question might be examined. I may repeat, once again, that we are going to oppose stoutly any attempt to take away the Railway Board from the control of the Assembly.

One more point, Sir, and I have done. Both my friends, Mr. Yamin Khan and the Deputy President, have made some reference to the motor traffic. I would like to suggest that all the eloquence of my friends would not make the people think that they could see with equanimity any attempt to deprive them of that competition which is so desirable and to reserve the railways as a strict monopoly of Government, to which the road traffic is sought to be made subservient.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. A. H. Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Sir, it is not merely a conventional expression of regret, but our regret, the Honourable Members will agree with me, is genuine that we are soon going to part company with our Honourable friend the Member for Commerce and Railways. Sir, I must say, and his worst critics will admit it, that in Sir George Rainy we had a gentleman amongst us who did not know what temper was (Hear, hear), and whose genial temperament and courtesies made him popular with every section of this House, however they might have disagreed, they might have differed from his views or from his policy. May I assure Sir George Rainy that he will be carrying with him our best wishes and he will be remembered by many of us for many long, long years to come. We wish him every happiness in the sweet and pleasant recess of his home.

In Sir Alan Parsons we are losing from the Railways an uncommonly highly capable officer, who had devoted himself for a very large number of years to the study of the finances of the Indian Railways. He was, if I may say so, the guiding spirit of the Railways, and in my opinion, his transfer to the Finance Department from that of the Railway is a distinct loss to the Railways. (*An Honourable Member*: "And a gain to the Finance.") Government, Sir, never do nor will they ever do what they should (Laughter.) And there is nothing to wonder at this transfer even at this transitional period of Indian history when a new constitution is in the making. We are losing an officer who was ever

alert in railway matters, be it finance or otherwise, and who had made a special study of every branch of the Railway administration. We wish him every prosperity in the new sphere of his activities, and express the hope that his counsel on the railway administration will not be withheld if it is sought even though his association with the Railways may have ceased.

Sir, coming to the general discussion of the Railway Budget, it is not possible for any individual Member to deal with all the items within the time allotted to him. I would, therefore, confine my observations to three specific matters, namely, first, purchase of coal for State and other railways, then mismanagement of State-owned collieries, and thirdly, inadequate employment of Mussalmans in the Railways. I would only touch upon these points now, reserving my detailed criticism of them for the day I move my cuts. I have no doubt that, when I have said all that I have to say, the Honourable Members will join with me in condemning the Railway Board for not doing their duties, for abdicating in favour of Mr. Whitworth, the Chief Mining Engineer, and his lieutenant Mr. Surendranath Banerjee, and thus allowing serious allegations to be made and causing enormous loss to the Railways.

I would now, Sir, refer to the Railway Board's present system of purchase of coal for State and other railways. According to the present system of purchase of coal, the coal firms are in a manner at the mercy of the Chief Mining Engineer. Sir, the Chief Mining Engineer practically decides from which firms coal should be taken and what quantity each of them should supply. This policy is responsible for huge loss to the Railways, inasmuch as higher prices are given to the favourite tenderers of the Chief Mining Engineer, and though coal of better quality is tendered at lower prices by others, such tenders are not accepted. (*Mr. B. V. Jadhav*: "Is it really true?") Yes. I will prove it to the hilt. The Honourable Members may be aware how the late Mr. Church, who was the Chief Mining Engineer of the Railways then, the predecessor of Mr. Whitworth, entered into a clandestine arrangement with coal contractors which cost him his life. (*Mr. B. Das*: "He committed suicide?") That is my information. Older Members of this House will remember that Mr. Church landed the Railways into a scrape by making forward contracts extending over many years at exhorbitant rates, just on the eve of his retirement. After Mr. Church had retired, the contractors naturally gave him the go-by and did not fulfil their obligations, and Mr. Church, perhaps in utter despair and counting on Mr. Whitworth's assistance, addressed a letter to him which formed the basis of his prosecution. And for the information of this House, I would quote the following significant lines from that ill-fated document. That letter, Sir, said, "You remember that afternoon, . . ."—I will not mention the name of the person—"was here about the coal tenders and you (*Whitworth*) said afterwards that if there was anything in it, don't forget it is fifty-fifty". (*Cries of* "Shame" from the Nationalist Benches.) Mr. Whitworth had perhaps passed many a sleepless night before he decided to make over that letter to the Government, and extradition proceedings were taken against Mr. Church to bring him back to India to stand his trial. In those proceedings Mr. Whitworth had to give evidence in London, and it is said that Sir Marshal Hall K. C., who was defending Mr. Church, hailed Mr. Whitworth with the following observations as he was getting into the

[Raja Bahadur G. Krishnamachariar.]

Then, I submit with all the strength I can command that there is absolutely no reason to make these large cuts in the salaries of subordinate officials. I would submit that there is absolutely no justification, whatever may be the result of the present conditions, why you should cut the salaries of officers drawing salaries below Rs. 150 per mensem. Sir, it is all very well to say that they have loyally accepted these cuts, but I respectfully submit that they have not willingly done so; on the contrary they had no other alternative at the stage of service at which they had arrived. How at that stage of their service could they throw up their jobs, where could they go, how to look after their wives and children and other dependants? Could they really say, "We do not like this cut therefore we are going to give up the service?". That, Sir, is the mentality of the men brought forcibly under the axe, when the decision of the cut was announced. On the other hand, you can retrench largely. This you have not done. Now the Railway Sub-Committee pointed out that by bringing into existence an expert committee to go into the whole system, you could thoroughly overhaul the administration, and save a great deal. Sir, if the proceedings which led to the appointment of this advisory committee were referred to, it would be found that I said exactly the same thing at the time, that it is absolutely no good appointing Members of this House who, amiable men of general experience as they are, are nevertheless absolutely unfitted so far as the technical details of administration are concerned to make any useful suggestions. That I was glad to find is exactly the conclusion at which the Railway Sub-Committee arrived at; and I submit with all the force that I can command that sufficient endeavours have not been made in order to bring together a committee of say two or three persons—it is no use having a big bulky committee—who have made a special study of these subjects, in order thoroughly to overhaul the system here. Sir, if they had done that, the crore and a half or two crores which you have taken virtually out of the blood of these subordinate officials need not have been taken; on the contrary you would have given them real relief. Beyond that, Sir, I do not think that there is anything useful that can be said, because the policy which was dilated upon by the Honourable the Railway Member dealt with what was simply a hypothetical proposition which really does not admit of any specific correct answer.

Mr. E. F. Sykes (Bombay: European): Sir, the Honourable the Deputy President in his speech, to which we have listened with our usual pleasure, said that there was likely to be in the future a deficit of 10 crores of rupees annually; and my intention at the moment is to indicate the manner in which a portion of this deficit could be met. If you will permit me, Sir, I shall read a short extract from the Report of the Sub-Committee of Railway Retrenchment. In paragraph 186 of their Report they say:

"One of our number strongly dissents from this proposal. Whereas he would be willing to accept an emergency cut of so much per cent. all round, whose simplicity would compensate for its want of logic, he cannot accept the proposal of the Committee which purports to be based on some principle but is in effect based on none. The Railway Board has so far been unable to produce the orders regulating the post-war scale of increases; but it is well-known that they were mainly based on the proportion of each man's pay that was estimated to be spent on food stuffs; where the proportion was high the increase was high amounting in some cases to as much as 100 per cent. This principle, *mutatis mutandis*, should apply to the reductions consequent on the present unprecedented fall in the prices of foodstuffs. The proposals of the majority tend still further to accentuate the contrast between the well-being of public servants and that of the bulk of the population which is dependent on agriculture."

Mr. B. Das: It was nice of you to dissent.

Mr. E. F. Sykes: I will now give you rather stronger stuff. This is from the All-India Government Employees' Federation Retrenchment Bulletin, published by the General Secretary, S. C. Joshi, Esq., M.A., LL.B., Advocate:

"This deplorable situation enables a few to live exceptionally well by impairing the capacity of the State to undertake larger activities and employing much larger numbers. It gives an artificially elevated position to the official where he comes to consider himself as an altogether superior person. The conclusion is that salaries of public officials must bear an intelligible relation to the income of the labouring classes." (Hear, hear.)

Now, Sir, that is from the writing of a very highly respected gentleman, and I would like to be interrupted if anyone disagrees with his statement. I therefore now assume that the House accepts this as perfectly reasonable. I must for a moment now diverge to express my appreciation of the courage of Mr. Joshi in publishing such things in a publication like this.

Now, Sir, what is the income of the labouring classes? Last week I met a very esteemed labour leader, and I asked to him, "what are the agricultural wages in the Punjab?". He said, "about Rs. 6 or 7 a month" I asked him what they had been in the immediate past; he replied "From Rs. 13 to 15". These are very remarkable figures but he told me that I could quote his authority for them, if necessary.

3 P.M. Now, the position of the railway people in this matter is stated very clearly in a memorandum which they submitted to the Royal Commission on Labour. On page 202, you find their minimum wages described. If you take common labour, such as gangmen, trollymen, etc., their minimum—I hope, Sir, you will mark the word minimum—is Rs. 13 rising by one rupee to Rs. 17. The trollymen get Rs. 15 rising by one rupee to Rs. 19. The gate-keepers get Rs. 14 rising by one rupee to Rs. 17. Now I ask, does that bear any kind of relation to the wages of the bulk of the population, which is agricultural labour? I am not in a position to verify these minima, but I assume they are still in force. I think that every body who has anything to do with agriculture will agree that the figures given for agricultural labourers in the Punjab are correct. I may say myself that I enquired during the last harvest season as to what a man was earning. I found he was earning five annas a day during harvest time. We need not go to the Punjab to see these contrasts. I am credibly informed in this very place the Government of India are paying for common labour Rs. 15 and their officers are not allowed to pay less. Common labour here in the open market is five annas a day or by the month Rs. 7 to Rs. 8, perhaps less. Now, Sir, let us turn to Mr. Joshi:

"It gives an artificially elevated position to the official where he comes to consider himself as an altogether superior person. . . . .The conclusion is that salaries of public officials must bear an intelligible relation to the income of the labouring classes."

The House has accepted this position. Now, it is for the House, having accepted this position, to enforce it on the Government Benches.

Mr. N. M. Joshi (Nominated Non-Official): Is it all that?

[Mr. A. H. Ghuznavi.]

witness box. "So, you are the little fifty-fifty....."—I will not use the next word that is used thereafter that—"So, you are the little fifty-fifty. . . . from Calcutta, are you?"

Such is Mr. Whitworth, our present Chief Mining Engineer. Mr. Church escaped punishment—that is what I am informed—by poisoning himself on the night preceding the day when the judgment was to have been delivered. (*An Honourable Member*: "Is it all known to the Government?") Certainly, and I ask the Honourable Members to request the Government to produce those records in those criminal proceedings which will conclusively prove what I am saying. (*Mr. K. Ahmed*: "I asked Mr. Parsons a long time ago but he did not take notice.") The judgment was not delivered. The result was that nobody is aware of what the judgment contained, and I am not sure, if that judgment had been delivered and we had the benefit of that verdict—we are in the dark at present—whether Mr. Whitworth would have come out untarnished. It is also interesting to know how this gentleman, Surendra Nath Banerjee, the assistant of Mr. Whitworth, leaped into his present position. He was a clerk on Rs. 30 in the Eastern Bengal Railway and joined the office of the Chief Mining Engineer in 1914 on a pay of Rs. 35. His present emoluments are Rs. 800 a month. As I said, Mr. Whitworth and Mr. Banerjee decided everything about the coal purchase. I would give you one instance, and I shall give you later on dozens and dozens of similar instances. The Chief Mining Engineer also purchases coal for other railways. When the Bombay Baroda and Central India Railway called for tenders, Mr. Whitworth was in England—the Railway Board afforded him the privilege of visiting his home every year—and Banerjee opened them and tabulated them and then sent the tabulated sheet to Mr. Whitworth to Aden. Mind you, the tabulated sheet was sent to Aden. Then Banerjee proceeds to Bombay with all his papers and immediately on his arrival, between themselves they decide who should get orders and what quantity should be allotted to each. The recommendations are presented to the Agent and are automatically accepted. Under cover of extending patronage to as many concerns as possible, contracts are given to favourite firms. Mr. Whitworth has his reasons of course, for he says, "I am the Nawab of the Coal Kingdom. I have 250 Begums and I cannot certainly satisfy all". Certainly not. Is it any wonder then that he cares only for his favourite Begums. And a most glaring instance is the acceptance by the Railway Board of Rs. 9-2-0 per ton, for 1,40,000 tons, rejecting offers of Rs. 7-6-0 and Rs. 7-8-0 per ton for the same quality, acceptance of which would have given the Railways a saving of 2½ lakhs. That I want you to investigate.

Now, the second point is the mismanagement of collieries. I shall crave your indulgence for five minutes more.

Mr. President: You cannot get more than two minutes. You have two minutes more.

Mr. A. H. Ghuznavi: I shall then proceed straightaway to the third point. My third point is about the inadequate employment of Muslims in the railways. What have you done, I ask the Railway Board Member

on staff duties, since you gave your solemn undertaking on the floor of this House? I say "Nil". That is so. I do not know what his answer would be. I will refer my Honourable friend Mr. Hayman to what he said, and with your permission, I will read a few lines from page 975 here: Mr. Hayman said:

"I think, Sir, I can bring my remarks to a close just now. Before I do so, I wish again to emphasise that I am still not satisfied with the representation which the Muslims have in the upper subordinate posts on our railways. But I give my solemn undertaking that I have this question at heart and I will push it forward with all the energy that I can command. I will be the driving force in this question, and I shall get the Agents of railways to take my view and to rectify the existing defects. But, Sir, I also wish to make it clear that nothing that I or the Agents will do will be done in a way to bring injustice to any of the other communities."

Since that solemn undertaking, has he done anything? Except for appointing Mr. Hassan and another officer . . . . .

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

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): As observed by the Honourable the Deputy President, I feel I have very few observations to make in connection with the Railway Budget presented by the Honourable Member for Commerce and Railways. So far as the policy of the Railway administration is concerned, the Retrenchment Committee has been distinctly told that the Government would decide what action it would take, and all that the Retrenchment Committee could do was to go over certain portion of the railway expenditure and to make recommendations, some of which have since been accepted and others entirely ignored. This Budget speech is one doleful story from the beginning to end. I have not been in this House for very long, and am not therefore entitled to speak with any authority, but I endorse all that has been said by the previous speakers about the Honourable the Railway Member. From the few occasions on which I have had the honour of listening to his speeches, I fully endorse all that has been said regarding the way in which he has done his work. Sir, we are not here in a position to determine what we are going to do or what we are not going to do owing to the world conditions. There is one point however I want to mention, and that is the reduction of the freight rate of agricultural produce. The position of the railways now is rather unfortunate. As my friend Colonel Gidney pointed out, we have had deficits of 16 and 17 crores and we are now straining at a gnat of deficit of a crore and a half or two crores and they do not think of the most important thing, namely, of giving relief to the agriculturist by reducing the rates for produce. It is perfectly true that in the Honourable Member's speech there is a mention of the attempt that has been made to reduce the freight on wheat, and how it did not really produce the desired effect. But wheat is not the only produce of India. Probably there were certain conditions that attended the transport of wheat, which resulted in the conclusion arrived at by the Honourable Member, but there is lots of other produce down South which would have got relief if a reduction had been made in the freight on those commodities. That, Sir, is an unfortunate position, and although it is perfectly true that in these times of depression every pie has got to be saved or brought together, I consider that we should take into consideration the relative advantages and disadvantages, and I think the agriculturists as a whole ought to have been given relief by reducing the rates on produce and the 3rd class fares.

Mr. E. F. Sykes: Mr. Joshi's opinions were very general. They referred to the social condition as a whole, and said that it was very undesirable to have a specially privileged class, whose emoluments compared too favourably with those of the ordinary working men. But in this matter the Government have a further duty. The Government are always telling us, "We want to run the railways on commercial principles". I ask you, Sir, is it commercial working when labour is getting Rs. 6 to Rs. 7 a month, to pay them a minimum of Rs. 13 with annual increments?

Mr. N. M. Joshi: About Rs. 3,000 and 4,000.

Mr. E. F. Sykes: I am talking of common labour. I am not talking of Members of Council and Financial Commissioners. Common labour, Mr. Joshi, I am talking about.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): They are also labourers.

Mr. N. M. Joshi: But they are not worthy of their hire.

Mr. E. F. Sykes: I have laid before the House the plain facts of the case. If the facts I have placed before them do not move the House to insist on retrenchment in this matter by the Government, then I have spoken in vain.

Mr. B. Das: Sir, on the 25th of this month, two speeches were delivered on the Railway Budget, one on the floor of this House and the other in another place, where elderly men usually gather to pay mutual compliments to one another. In this House the Honourable the Railway Member cooed like a dove. Sir, we will not hear his melodious voice after this session, that melodious voice which occasionally but so often silences the parliamentary ferocity of the Opposition. The Opposition, at times are faced with great difficulties, and while we steer our bark between the Scylla and Charybdis,—the Home Member on one side and the Finance Member on the other,—I think a little further we meet the Honourable the Leader of the House with his siren songs trying to soothe the Opposition, and it has such narcotic effect on the Opposition that our ferocity becomes mild criticism. I join with my Honourable friends in saying that I, too, will miss the Honourable Sir George Rainy on the floor of this House. He comes from my province of Bihar and Orissa, and particularly his very friendly relations with many public men in Bihar as well as in Orissa will make him long remembered, and I join those who said his place will be long missed in this House and also his genial temperament by which he very often tries to soothe the temper and the ruffled feelings of the Opposition. At the very time that my Honourable friend was cooing like a genial dove in this House, what happened in the other House was this. The Chief Commissioner of Railways, while he was afraid to speak as a prophet, tried to speak as the absolute. He talked in terms of absolutism. He said that he had done the absolute things in retrenchment and those were the absolute essentials and the absolute minimum. So, if Honourable Members in this House or the other House try to level criticism towards the Treasury Benches either in reduction or retrenchment, the absolute thing has been said by the absolute Chief

Commissioner and that's the end of it. I think, Sir, the time has come when certain transactions that are made in the name of the Military Department should not be merged into Railway finance. One Honourable Member also referred to the strategic railways and these should not be shown separately and losses thereon should not be debited to general finance. Strategic railways should be merged with commercial lines. I think it is high time that Government should take note of the concessions which the military get from the Railways and which are to the tune of nearly one crore of rupees and they should debit the sum to the Military Budget. The financial result of the railways is very alarming, and while I appreciate the loyalty of the Honourable the Railway Member to the Financial Commissioner and other Members of the Railway Board, I think his analysis of the situation is entirely wrong. His analysis is that there could be no further reduction, and that certain experts should be called from outside to tell him what is to be done in the present situation. That I do not approve. I never agreed with my Honourable friend the Deputy President that he and his Committee were not competent to judge and to direct the Railway Board as to how to retrench. I think it was within their rights and they could have done so. But somehow they got cold feet, as we heard from my Honourable friend Dr. Ziauddin Ahmad this morning, and they suggested that experts should be brought from foreign countries especially from England though we know that English climatic conditions and English working conditions are so very different from the working conditions in India. My Honourable friend the Deputy President suggested a gentleman from Canada, a gentleman from England and probably one railway expert from India would constitute that expert Committee. Why not get experts from the United States of America where the climatic condition and working conditions of railways are the same? And if I know something of railway engineering in India, very little has been copied from England. Whatever mismanagement and over expenditure there is, that has been copied from England or has come through the Englishman's mismanagement, otherwise the working conditions in India are the same as in the United States. Why not get experts from France or from Germany? They have not got the same high standard of efficiency as the British "so-called" experts try to make us follow. We know what English experts are and what Englishmen are. In the desert of Sahara in a temperature of 135 degrees the English officer, although he may be the only Englishman there, must don his dress suit and dine alone. So we do not want any English ideas to be transplanted here, and we know how those ideas transplanted through these officers have mismanaged our railways and have brought the railways into that state of chaos in which we find them now. (*Sir Hugh Cocke*: "Question".) My friend Sir Hugh Cocke questions me. I know he belongs to a great House of Auditors and Accountants and his opinions regarding financial results I will always respect, but I wish that he should look into the financial mismanagement of the railways and suggest ways and means as to how the Budget will balance and how the taxpayer will not be deprived of his money. My friend the Railway Member insinuated that the shareholders of the company will be probably asked in future to let go their profit for contribution to the general fund.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I am quite unaware of having made any suggestion that the shareholders will ultimately have to forego their profits.

Mr. B. Das: I am glad to know it, but another Honourable Member on that side, Sir Henry Gidney, talked of the railways coming under a statutory body; and as he happened to be a member of the Round Table Conference, I thought a certain plot was being hatched on that side of the House at the back of the Members on this side to deprive the general finances of the contribution and also to take the control of railways away from the Legislature.

Sir Hugh Cocke: Sir, may I ask the Honourable Member if, when he states that Englishmen have brought the railways of India to a state of chaos, he is merely alluding to the financial situation, or to the actual administration of the railways?

Mr. B. Das: I am concerned with the financial results of the railways. If the financial results have proved to be bad, I maintain that those who managed the railways have failed in their management.

Sir, the Honourable the Railway Member said that there is no chance of increment of rates and fares in goods traffic and passenger traffic. Why is the traffic not going up? There is the economic depression, but there is another side of the situation. There is the political situation in the country to which my Honourable friends on the other side are a party, which has helped to deteriorate the railway revenues. My friend who wanted to be a prophet last year, has told us that he cannot be a prophet this year and say if the railways will have an increased revenue. I do not think the railways can have an increased revenue. There is the world economic depression and there are other causes for which his colleague the Finance Member is responsible. But what about the political situation? Today goods cannot move from one place to another; there is no security in the country, and we have not added to that insecurity as the Honourable Members on the Treasury Benches have done. Today the people have no money; they do not feel it safe to move from one place to another. If my Honourable friends on that side want the railways to have their proper earnings again, they ought to bring about a peaceful atmosphere in the country. Are they trying to do that? They are not; and next year my Honourable friend's receipts on the railways will go down to 80 crores and not what he has estimated. It is bound to be so, because the people have not the money to buy goods and the goods do not move about. If my Honourable friend Mr. Mody transfers his Bombay cloth to any place in Bengal, nobody has any money to buy it; and if the world economic depression is a contributory factor, it is only to the extent of 25 per cent., the other 75 per cent. being due to causes for which the Treasury Benches are responsible, namely, the political situation in the country when everybody is suspicious of everybody else and when peaceful citizens live in constant terror of Ordinances.

Sir, I think in spite of my opposition to this Expert Committee, that Expert Committee is bound to come, and if it is coming, I want that no railway engineer should be the Chairman of that Committee, but an economic expert should be Chairman. Let him be an Englishman; I know the partiality of Government for Englishmen, but I do not want that the man should be a railway engineer. And what are engineers? I am an engineer myself and I can say that engineers in their fad of efficiency and experimenting have committed in the past and will commit Government to heavy expenditure from which Government cannot get out. Between

1924-25 and 1932 there was an additional 200 crores of capital expenditure, and as my friend Mr. Chetty pointed out, the interest charges on the total commitments are 32 crores today. And still in Mr. Russell's speech we find that he wants to strengthen three bridges on the Eastern Bengal Railway. Sir, the engineer wants larger locomotives, and as soon as they come the permanent ways have to be changed. If 90 pound rails are used today, then it must be changed to 120 pounds. In this way the engineer goes on experimenting, but who foots the bill? It is the poor taxpayer, the people of India. Sir, it is a most disastrous thing in our national economies and so I do not want a railway engineer to be the Chairman of the Expert Committee. I also hope Indians will find representation, because the economic condition of India is known to Indians alone and no outsider can understand that aspect as the standard of living is so different in India. The Committee must have Indian economists and Indian administrators on it else the enquiry will do blessed little.

***Khan Bahadur Makhdum Syed Rajan Bakhsh Shah** (South-West Punjab: Muhammadan): Mr. President, I beg leave to present before the House facts which, on examination, would on the one hand help to improve the existing defects, thereby bringing to an end the increased volume of public inconvenience and grievance, and stop on the other the feelings of ill-will and resentment growing against the Government, resulting at the same time in financial advantage to them. I therefore particularly invite the attention of the Honourable Member in charge to this.

First of all I desire to express my appreciation of the great labour and ability with which the Honourable Member in charge has prepared the Railway Budget; and if one is liable to criticism for one's omissions, I see no reason why one should not be praised for the good work one has done and the time and trouble that has been devoted to it. I therefore very gladly give him the credit for all the labour and care he has devoted to the preparation of the Railway Budget.

Then, Sir, I would remind the House that this House is not the representative only of the thousands of people who travel in the first and second class, but it is also the representative of millions upon millions of those dumb, down-trodden, poor Indians who must of necessity always travel in third class even at the risk of impairing their health thereby.

I consider it my duty first of all to ask for the removal of the inconveniences experienced by third class passengers, inconveniences which are still increasing and are due to the neglect or stinginess on the part of the authorities concerned. And, if it is an established fact that the present elaborate system of the railways in India derives its strength mainly from the fares paid by third class passengers, it is all the more pitiable that every possible convenience and comfort should be provided for people travelling above that class, while third class passengers should be left to be treated like cattle. For instance, how very sad it is to see that third class *Musafir-khanas* have been built regardless of whether they can give any shelter to the inmates in the freezing cold of the winter or the blood-boiling heat of the summer, whereas every possible comfort, fitting in with the varying requirements of weather, are made available for first and second class passengers in most of the railway stations.

*The Honourable Member delivered the speech in Urdu.

[Khan Bahadur Makhdum Syed Rajan Bakhsh Shah.]

Similarly the woes of third class passengers on running trains at times become unbearable. Fares continue to be increased from day to day, with the result that people are more and more inclined to travel by motor lorries in order to save themselves both trouble and expense involved in railway journeys. This is leading to losses in the earnings of the railways. The authorities, in their anxiety to bring down the expenditure, are cutting down the number of trains. The result is that there is an extraordinary rush of third class passengers on the trains and going through the journey is with them like going through hell. They can hardly get room to sit in day time. To think that they can sleep in their journey at night would be preposterous. Most of them may be seen going through their journey standing between station and station, and instances may not be wanting in which passengers have found it difficult even to breathe. Is it for this deplorable state of affairs that the Railway Administration offers to sing its own praises? And, if, during the tenure of office of the present Honourable Member in charge, who has a reputation all his own as regards his popularity and administrative ability, these defects have not been or could not be removed there can be no hope of their being removed ever afterwards.

This most Honourable House, which represents the country, would be failing in its duty by the country if nothing could be done to allay the unrest and remove the almost unbearable discomforts experienced by passengers travelling by third class. And if this cannot be done because the income of the Administration is falling, it is imparatively necessary to fix the railway fares at their original rates and to provide third class passengers with all the necessary and adequate comforts and conveniences both at stations and on running trains. Only in this way can the Railway Administration successfully compete with motor traffic. But if the Administration is not in a position to do anything to remove the many woes attending the journey of millions upon millions of poor third class passengers, it would be better if, instead of running for the sake of a few thousand country or foreign capitalists or salaried servants, the trains altogether ceased to run, the rails were removed, or at best the service reserved for official use only, so that it caused no more distress to crores upon crores of His Majesty's loving but poor subjects.

One other problem connected with the Railway Administration is that of communal representation. Now, Sir, like several other glaring defects, this defect is now clearly noticeable, in that particular grades of service are distributed over particular classes and communities with quite unjust partiality. For instance, superior posts are entrusted to British officers, middle class appointments to Hindus, and menial staff is recruited from among the Muslim community.

I would like to ask the Government why, in this civilised age when capable Indians can be found to work side by side with British officers, are they not given the opportunity of serving their country, and why, instead, are foreigners invited from across the seas to come to this country.

Similarly it is not understood why, especially when educationally qualified Muslims in their thousands are crying for employment, are their rights neglected in the railways all over the country, while Hindus are given more than their due in that respect everywhere? I do not consider

the opinions of those to be right who attack the intentions of the Government and say that the claims of Muslims as against Hindus are neglected with a view to making Muslims displeased with Hindus and increasing the tension between the two. It is equally unfortunate that Muslim representations and appeals on the subject have met with little or no response from the authorities concerned. They have at best been patted on the back with some such remark as "50 per cent. or 60 per cent. of appointments would be reserved for Muslims in future", a remark confined only to paper and never translated into action. This is how they make fools of the Muslim community and its representatives, and this is why I am afraid, Muslims are losing faith in the Railway Administration, and that too not unjustly.

I would at the same time request my Hindu fellow-countrymen that, at this critical period of political changes in the country, the greatest service that can be done to the Motherland is to try to compose the differences between the different communities living in this country. And this is impossible to achieve unless and until there is mutual confidence between the various communities which can only come from one community treating the other on a fair and equitable basis. I do not ask for any favour either from the Government or from the Hindu community for my community. All I ask for is justice and justice only. And for this reason I strongly appeal that my community may be given their just proportion in the service of the railways all over the country.

In conclusion, I cannot help inviting the attention of my friend, the Honourable Member in charge of Railways, to Multan, a historic city of the past but still an important town of Northern India, a large trading centre, and a station possessing the headquarters of a political Division and a number of railway offices. Yet, the Punjab-Karachi Mail is not run *via* Multan, but is diverted in a different direction from Khanewal situated at a distance of only 25 miles from Multan. Much inconvenience is naturally felt by tourists, traders, Government officials and the public by this arrangement. Shuttle trains keep running up and down to enable passengers to catch the Mail, but then all this means extra expense and much time wasted. I would therefore particularly invite the attention of my esteemed friend, the Honourable Member in charge, to the need for running the Punjab-Karachi Mail *via* Multan as before.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I am sorry that my Honourable friend the Leader of the European Group is not here in his place because I wanted to answer one or two of his arguments. I am also sorry that my Honourable friend Mr. Sykes is not in his place, because I wanted to meet his arguments. But I hope by the time I conclude my speech they may be present, and therefore I shall begin with certain observations that were made by an Honourable gentleman belonging to the Independent Party about what I consider to be a thought-compelling suggestion of my Honourable friend the Deputy President. I know that, when a new idea is thrown out on the floor of this House, instead of calm thinking, it causes some amount of confusion. Mr Chetty, I believe, by making the suggestion about regulating the road motor traffic in order to increase the railway revenue, created as much sensation on this side of the House as would be created by a stone thrown into a pond. Sir, the ripples seem

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to have ceased. I have no intention to disturb the placid waters, but it is just as well that I place before this House what the implications are of that suggestion.

I cannot follow the example of my Honourable friend, Dr. Ziauddin Ahmad, and say, I reject the conception of the statutory Railway Board. You have a statutory Railway Board at present in the sense that it is provided in accordance with the statute. And we have got to have another statutory Railway Board, especially when great schemes are being worked, when federation is in contemplation and there will be inter-provincial competition as well as competition between the provinces and the Central Government. Sir, roads are a provincial subject, and there may be a great tendency on the part of the autonomous provinces to compete with the railway. Such competition exists in England but there the railway is under the control of private enterprise. In India it may be necessary that there should be something in the nature of an Inter-State Transport Council, which I do not think has been contemplated within our knowledge at any rate either by the Round Tablers or for that matter, by the Government of India. For this is entirely outside the scope of what you may call the statutory Railway Board. It is an entirely new idea, and I dare say that, if Mr. Chetty's observations were carried to their logical conclusion, you would have to have something in the nature of an Inter-State Transport Council as you have in the United States of America an Inter-State Commerce Commission. Sir, this is a very important consideration, and I hope that gentlemen seated on this side of the House will give it more serious thought, because railways in this country are being nationalised. The control by the State of certain of the railways is nothing but nationalisation. Sir, I am an extremist of extremists so far as nationalisation of railways is concerned. I look forward to the day when the Company-managed railways will also come under national control. Now, when national control is within sight, it is just as well for us to think how to increase the railway revenue because the railway revenue is the biggest contributing factor to the general revenue. (*Mr. B. Das*: "How?") My Honourable friend, Mr. B. Das, asks "How?" I do not want to answer questions at present as my time is woefully limited, but if you give me control of the railway revenue or general revenue,—if the choice is before me, I would try to control railway revenue, for its possibilities are very great, and in India at present you have only 40,000 miles of railways. It is a large country compared to other countries, and railway enterprise will have to increase. Railway revenue will feed the general revenue, feed the people of this country, and in a country like India where the taxing resources are very small, where the field of taxation is not so wide as in England, the railway revenue will be a very important factor, and I think being under State control we cannot easily get rid of the idea that, if other competitors stand in the way of the railway, without hurting private enterprise it will be necessary for us to increase the railway revenue. For instance,—Mr. Chetty spoke of running motors at right angles, but I believe it will be better to put it in a more understandable and less geometrical manner. The competition in the motor traffic is really killing the competitors themselves. There is among them a kind of cut-throat competition which would cease if motor traffic could be regulated—I do not for a moment say that there should be no competition

on parallel lines with the railways, and that is where I perhaps am not in agreement with Mr. Chetty, or Mr. Chetty is not himself in agreement with the idea that he is misunderstood to have put before the House. He did not say that there should be no such competition at all, but he said that competition has got to be regulated. This is a matter on which there should be no serious controversy. Then there are places where railways cannot go, where railway enterprise cannot pay, and so far as these particular places are concerned, they can be connected by motor service. Thus motor traffic will have to be helped in order to be feeders to important railway junctions by bringing passengers from the interior. Here are matters of importance for the consideration of something in the nature of an Inter-State Council.

Now, coming to the argument of my Honourable friend the Leader of the European Group, whom I am glad to find now in his seat—it is very difficult for any of us on a tiring day like this to sit always in his seat, and I did not make any reflection at all on the Honourable the Leader of the European Group when I made that observation. In the course of his very interesting and usually informing speech on a subject of this kind he said:

> "I was on the Railway Finance Committee at that time when all these schemes were put before us. We had a scheme for 50 miles of railway line, and as far as it was possible to work out an estimate, estimates were worked out and they were gone into in some detail in certain cases in that committee. The Committee, as far as it could be satisfied, was satisfied that the particular return anticipated. . . . was a justifiable estimate."

He went on to say that it was very easy to be "wise after the event". He thought that this House and the Finance Committee should share the responsibility regarding the schemes they had accepted. If it is easy to be wise after the event I do not desire to enquire whether it is not easier to be foolish before the event! It was rather imprudent I should think for those who placed certain estimates before the Railway Finance Committee to have recklessly calculated. I admit the difficulties. I admit no one could deny the difficulties of calculation by way of anticipation. But, Sir, in some cases, as I shall presently show, the estimated return was hopelessly wrong so much so that it would seem that the estimates are made by laymen, not experts. Take, for instance, the return on the Kurramgam Longai Valley Railway. What was the original estimate so far as that particular railway was concerned? Sir, they had made an estimate of 5·5 per cent. profit. That was expected, and this expectation was placed before the Finance Committee. How did it turn out? It turned out into a loss of 15·46 per cent. I take these figures from the official report—their own literature. Surely, this is a gross miscalculation. It is no use for the Leader of the European Group, a very responsible gentleman himself, to justify such gross miscalculation. Take, again, the case of the estimate on the Kangra Valley scheme. The estimated cost of this scheme was Rs. 134 lakhs and how did it turn out? I believe, it was more than double the original estimate—Rs. 295 lakhs. Sir, the return estimated was 2·8 per cent. in this case, but instead of profit it yielded a loss of nearly one per cent. There is no use telling us, "You are responsible". Yes, we were responsible; our Members on the Finance Committee were responsible; this House was responsible. For what? For sanctioning a particular thing on the estimates that were placed before

[Mr. C. S. Ranga Iyer.]

us. (*Mr. B. Das*: "The original estimate.") We were prepared to approve the original estimate after hearing what the gentlemen responsible for the estimate had put before us. What happened subsequently? There was a tremendous miscalculation. It is no use telling us that we were wise after the event. I do not want to follow the example of the Honourable the Leader of the European Group and say it is more easy to be foolish before the event.

Sir, it is always a pleasure to hear my friend Mr. Sykes. He seldom talks in this House. He unnecessarily went out of his way to talk about the labour wages of agricultural people. I admit that the agricultural labourers get a certain amount of wage, but a comparison is extremely improper, for the simple reason that the agricultural labourers are not entrusted with the responsibility with which the railway labourers are entrusted. For instance, when a pointsman goes to sleep, disaster follows. I would ask the Honourable Member not to indulge in such unhelpful analogies. I can place before him a contrast of the salaries here and in other countries as between the highest and lowest. He will find that the salary in Holland is one to seven, in Japan it is 1 to 22 between the top and the bottom. In India it is 1 to 400. These are the facts which I quoted several years ago in this House, and I had a mild controversy with Sir Clement Hindley over that. I wish that absurd calculations were not placed before this House.

Lastly I wish to conclude with a few remarks about the Honourable the Leader of the House who is also the Railway Member. It is a matter of real regret to us that Sir George Rainy is going to leave us. He has been in his period of office animated by pro-Indian sympathies. The very fact that Sir Alan Parsons is going to be succeeded by an Indian shows how much pro-Indian sympathy Sir George Rainy has. He has also been responsible for introducing another Indian on the Railway Board, my friend Mr. Hayman. It is a matter of great regret to us that when things are to shape beautifully in this country and we expect big things to follow that a man so full of sympathy for Indian aspirations should be going away from our midst. As for the optimism with which he spoke about the future, it was almost the optimism of a born optimist. I can only say that I was reminded of Emerson's message to the bee, because we are living in gloomy days:

> "Seeing only what is fair,
> Shipping only what is sweet,
> Thou dost mock at fate and care."

This year is pregnant with events. The war between Japan and China is going to affect Indian trade. India is trading with countries which are still on the gold standard and therefore we are under a disability. The economic conditions are not good. Such being the case, I do not believe that Government's calculations for the year will be any better than the calculations in the past. Such being the case, I can only say with Browning that Sir George Rainy was animated with the thought that:

> "God's in Heaven,
> All's right with the world."

Mr. N. M. Joshi: The Honourable the Railway Member has painted a very gloomy, indeed a very black picture of the financial position of the Indian Railways. If we consider the policy which the Honourable Member has been following in the management of railways, it is not a matter for surprise at all that the picture he had to paint was a very black one. You will agree with me that if an industrial undertaking is to be prosperous, it can only do so if those who are engaged in that industry and upon whom that industry depends are contented. If the railway men in India are contented, you can expect the railways to be prosperous, and if they are not, we have no right to expect that the Indian railways will be prosperous. The policy which the Honourable Member has followed in the management of railways is a wrong one. It is to give more to those who have. They are willing to give all sorts of concessions and good conditions for those people who already have it. Take for instance the class of officers engaged on railways. They come from middle class families who are already provided for generally by their birth, but when you consider the conditions upon which they are engaged you find that they are the best conditions of all the railway employees. Take again the salaries. My friend Mr. Ranga Iyer said that the relation between the wages of the lowest paid railway employee and the highest paid was 1 to 400. I agree with the principle enunciated by my friend Mr. Sykes, that there should be some relation between the wages of the labourers and the wages paid to the highest class of railway employees. (Interruption by Mr. Sykes.) My friend did not realise that the quotation which he was making was from a printed paper and there was a printer's devil in it. In place of the word "official", the word used should have been "officer". Then if you consider the position of the officers on railways and the position of the workers, you will find that the policy of the Government of India is absolutely wrong and if they continue in that policy, the railways are bound to suffer from financial difficulties. Take the question of leave. The officers are in the least need of liberal leave rules which the Government of India have provided for them. They get privilege leave, furlough and sick leave and so on. It is the poorest man who does not get any sick leave at all. Take again the question of quarters. We find the lowest paid employee is not provided with quarters. Take again the question of railway passes. They are given generously to the officers and the grants of passes are the meanest in the case of the lowest paid servants. If the Railway Board follows this policy, is it any wonder that the railways have to face financial troubles? As regards the management of railways, there has been grave discontent among railwaymen. The discontent has been of long standing. About eight years ago, this House passed a Resolution asking Government to make an inquiry into the innumerable grievances from which railway employees suffer. The Government of India refused to make an inquiry, not only in accordance with that Resolution but in accordance with the votes of this Assembly during the Budget discussions on several occasions. Then the Government of India appointed a Royal Commission on Labour which inquired into the conditions of railway employees. They made several recommendations, which, if given effect to promptly, might to some extent have removed the grievances from which the railway employees suffer. Sir, the Report of the Royal Commission has been published, and it is more than eight months that their recommendations have been before the Railway Board. I would like to know what the Government of India have done to give effect to these recommendations. I feel, Sir, that this Assembly will not fail to lodge a protest against the delay which the Gov-

[Mr. N. M. Joshi.]

I do not wish to go into the details of those recommendations. I shall mention only a few of them. The first and the most important recommendation is to give some kind of security of service to the railway employees. Then they have made certain recommendations as regards the service agreements. Then they have also made a certain recommendation that people who are called daily-rated people should not be treated as such after a certain period of service. Then there is a recommendation about the medical service—concerning racial discrimination. Sir, the Government of India always tell this Assembly that there is no racial discrimination on the railways. Sir, they are not telling the truth. They themselves admitted in the book which they published last year that they had discrimination as regards appointments and even as regards promotion in the case of certain classes of people. Therefore it is wrong for them to tell this House that there is no racial discrimination. The Royal Commission on Labour has made a definite recommendation on that subject that racial discrimination should cease within a specified number of years, and they ask the Government of India to formulate a policy and get rid of racial discrimination within a certain number of years. Then, Sir, the Royal Commission has made recommendations on several other subjects. There are some recommendations made by at least three members as regards the hours of work. Then they have also made some recommendations about the provident fund, gratuities and the debit system. Leaving aside these recommendations, they have made very important recommendations as regards the permanent machinery which the Railway Board should set up in order that the disputes between railway employees and the Railway Board and the Government of India should be amicably discussed and settled. Now, I want to know what the Government of India have done as regards the bringing into existence of that machinery. Sir, since last year the Government of India have been following the policy of reducing the number of the people employed on the Indian railways. They say that the policy is necessary on account of the depressed condition of the Indian railways. I do not wish to go into that question at all. What I feel, however, is this. In India there is no provision for maintaining people when they are unemployed. We have no unemployment insurance Act and no legislation by which men can claim some work from Government when they do not ordinarily find work. Under these conditions, when a Government for any reason undertakes to reduce the number of people who are already in service, they must do so with great caution and consideration. Sir, the Railway Employees Federation, which represents the railway employees in this country, do not take this line that no man should be discharged in spite of the difficult times through which the Government of India are passing, but they are justified in taking the stand that, if at all it is necessary for Government to discharge their employees, they should do so after consultation with their organizations. This policy presumably has been accepted by Government, that when they discharge a large number of employees, they should give a chance first to the organisations of the railway employees to state what their view is. Last year the Government of India launched the policy of retrenchment. But the Railway agents did not consult the organizations of the railwaymen before they undertook the policy of retrenchment. Then, Sir, there were certain discussions between the Railway Board and the Railwaymen's Federation, and ultimately the Government of India appointed a committee of inquiry to go into the question of retrenchment,

and the question is being considered by that Committee. The Report of the Committee is not yet out, but before that, the Government are already launching some more proposals for retrenchment. Now, may I ask you whether it is fair that any Government should appoint a Committee of Inquiry to go into the question of the methods by which retrenchment should be secured and then, before the report is made, launch further proposals for retrenchment . . . .

The Honourable Sir George Rainy: May I point out to my Honourable friend that to state that the Court of Inquiry was appointed to consider the methods by which retrenchment should be secured is a very strange way of describing the functions of that body. It has nothing to do with that.

Mr. N. M. Joshi: He should have described the functions of the Committee.

The Honourable Sir George Rainy: My Honourable friend should study the terms of reference.

Mr. N. M. Joshi: Well, Sir, the Honourable Member says that this question is excluded, but I do not think so. The Committee's function is to find out by what methods retrenchment could be secured. (*Cries of "No, no," from the Official Benches.*) Now, it is open to the Committee to suggest methods, as I think, whereby economy can be secured or reduction effected. For instance, instead of reducing 40,000 men the Committee might suggest that you can employ a certain number of people for a shorter period every day. Then the Committee might also suggest that if the number of hours of work for certain employees is increased, if their burden of work is increased, the Committee is bound to make a recommendation that that should not be done. Then, while this Committee was considering this question, the Government of India launches proposals for further retrenchment. So, I feel, Sir, that this is not the right method of treating your own Committee of Inquiry.

I shall now say one word more about the attitude of Government in conducting these committees of inquiry. The Government of India have employed a barrister: and I do not know what they paid that barrister, but I am sure they paid him more than a thousand rupees a day. Now, this action of Government in employing a barrister in conducting the work of a Committee of Inquiry of this kind is to treat that Committee like an ordinary court of law. This in my judgment is against the policy which brought into existence the Trade Disputes Act and the Committee of Inquiry. If the Government of India employ the Advocate General of Bengal to place their case before that Committee of Inquiry, how can poor railway employees find a barrister and pay him Rs. 1,000 a day? Sir, it is wrong for the Government to conduct cases before a Committee of Inquiry of this kind by employing highly-paid barristers. Then, Sir, I wish to say one word more. The Government of India should follow the right policy of caring for their employees. They should follow the policy of treating their employees with humanity. It is wrong to treat an employee or any kind of employees as if they were mere ordinary goods who should be paid according to the market rates. This is against the principles for which the League of Nations stand and to which the Government of India have given adherence.

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

Mr. N. M. Joshi: Sir, I do not wish to say anything more, but I hope . . . .

Mr. President: Will the Honourable Member kindly resume his seat?

Maulvi Sayyid Murtuza Saheb Bahadur (South Madras: Muhammadan): As there is a cut motion in my name which will be taken up in the course of this week, I do not propose taking much of the time of the House. As an old Member of this House, I feel bound to thank the Honourable Sir George Rainy for his geniality, winning manners and for his courtesy, and on behalf of our community and also on behalf of the party to which I have the honour to belong, I convey our sense of gratitude to him and also express the wish that he should be spared long to enjoy his well-merited pension. (Applause.) Again, it is my bounden duty to repudiate the remark levelled against the Railway Standing Finance Committee by my Honourable friend, the Deputy Leader of my party, I mean Dr. Ziauddin Ahmad. He said that the Standing Finance Committee meetings are not attended properly and things are being done there in a hurly-burly way. I am sorry my Honourable friend Dr. Ziauddin Ahmad is not here now. I may assure him that it was poorly attended only at a time when meetings were held during the month of Ramzan when the Muslim Members were observing fast and could not therefore make it convenient to attend the meeting. When we asked the Chairman of the Committee, he said he had no other time to arrange to have a meeting and so those meetings might have been poorly attended. If my Honourable friend would take the trouble of looking into the attendance of our meetings, he will find that Members were evincing as much interest as the members of any other Committee. The Chairman of that Committee, who will of course excuse me for saying so, though he appears to be a military gentleman, he is as civil as any civilian. Fortunately for us his would-be successor also is very affable, and we were getting papers in advance so that we were in a position to go into each and everything and the Chairman would always make it a point to ask each and every Member as to what his view was on a particular point. We were not blindly following the Chairman, whoever he might be. So, Sir, it was an insult not only to the Chairman but also to the members of the Finance Committee to say that the committee meetings were not well attended.

4 P.M.

In this connection I have to make a few remarks about the special officer Mr. Hassan who was deputed by the Government of India to look into the grievances of the minorities and particularly those of the Muslim community. He has taken much trouble in drawing up the Report which is very elaborate and vivid. If one takes the trouble of going through the Report, one will come to know what kind of injustice is being done in the case of minorities, particularly that of the Muslims. Mr. Hassan had no time to look into the figures of the Company-managed railways. I come from a place in Madras which is the headquarters of the South Indian Railway, I mean Trichinopoly. So far as the South Indian Railway is concerned, we have not got proper figures. But, I may assure the House that the minorities there are being ignored. The case of Madras and Southern Mahratta Railway is even worse. Tomorrow or the day after, I will be in a position to place facts and figures before the House to prove my allegations. Now, I do not want to take up the time of the House any more. With these remarks, I resume my seat.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): I rise to enter my protest against the policy of racial and communal discrimination as followed in the railway services. I have been approached by a number of railway employees in Lahore and Delhi. They were all Hindus and their chief complaint was that in the matter of reduction, Hindu clerks who had been in service for over 8 years and 9 years, were turned out while new Moslem recruits, who had been in service of the railway for one year and less, had been retained. To ventilate their grievance they sent representations to the Railway Board, but no satisfactory reply was given to them, nor any serious attention was paid to this matter. This question of communal representation in railway services, on the very face of it, is most unreasonable. We can claim the right of communal representation if it is a question of the Legislature. The minorities can claim their rights, even if it comes to the question of civil administration but the railways are a sort of trading companies working purely on business lines. In matters of business, I do not think any community with any show of reason has a right to claim that they should be represented in services according to population.

Shaikh Sadiq Hassan (East Central Punjab: Muhammadan): Then why Indianise them?

Bhai Parma Nand: Indianise, if there be some political matter or if it be the question of the Legislature, and if the power is put in the hands of one particular community the question can be raised. But when there is the question of business, there can be no talk of tyranny by one community over another.

Shaikh Sadiq Hassan: I said, why Indianise them?

Bhai Parma Nand: The question is raised of Indianisation. Indianisation is a political matter. We want self-government for the country. At the same time we wish that Indians should be in a position to control all the business and all the trade that is being carried on at present by others in this country. In order to acquire that fitness, we claim that we should have this privilege along with Swaraj or self-government. In order to be completely self-governing we say it is essential that these railways as they have been managed by the State, should be transferred to the management of Indians. There is a difference between Indianisation and Muhammadanisation. There is a great difference between these two things. I admit certain privileges should be given to the minorities in certain matters, although on principle they too are quite unreasonable, irrational and anti-national, but all the same as the minorities want them for their protection, we concede their demand. But in matters of business and trade, I do not see how any communal question can come in. Therefore I say these communal representations on the basis of racial or communal discrimination should not at all be supported by the Railway Board and I take this opportunity of entering my protest against this vicious principle. Let me take a simple case. A man has been serving a railway for 8 years; he has served faithfully; he has been trained in his work and has got great efficiency and experience. Another man comes in; he is there only a year and he has not got that experience nor that kind of efficiency. But if simply on communal considerations the latter is kept on and the former is retired, I think there cannot be any grosser injustice than shown in the case, and yet that is going to be the practice according to this policy of the Railway Board.

[Bhai Parma Nand.]

Then, Sir, not only this, but I oppose the policy even in the case of fresh recruitments. Let us again take an instance. There are several persons who apply for a post. One man is well qualified, say he is a graduate; the other man is only a matriculate but he claims that job simply because he belongs to one particular religion or community. What is the result? We refuse that post to the man who has got greater qualifications and give it to the man who has got comparatively low qualifications. So far, the minorities or that particular community is satisfied, but then comes the question, what is going to be the corollary of this? The implication would be that the highly qualified person who is a graduate says in his mind—and I know many cases like this—that if he had only changed his name or his religion he would have got that post. He with higher qualifications does not get it, but the man with inferior qualifications gets it simply because he came from a particular community or believes in a particular religion. Sir, this is a most serious religious disability that can be imposed by any State. This nullifies the principle of religious equality in the eyes of law and I think any Government that allows such religious or communal discriminations and invidious distinction cannot be called a fair and just Government. This practice is against all principles of equity and justice.

Then, Sir, coming to the facts and figures, I may be asked why I am protesting. I am protesting simply because of the method of appointing a Moslem gentleman to make inquiries into the grievances of minorities, and especially the grievances of the Muslim community, as has been referred to by my friend Saiyid Murtuza Saheb. I say this inquiry into the grievances is simply an attempt to encourage the minority community to demand things which they do not deserve. Then coming to the Report of Mr. Russell which has been recently published, I want to give certain figures to show that the Muslim claim which has been made so much of is quite unfounded. I am surprised to find that about 12 Honourable gentlemen belonging to the Muslim community have given notices of cuts for lack of Muslim representation in railway services. I ask, on what principle do they want representation in the railway services? Taking Mr. Russell's figures from the Report we find that taking the average of all the State-managed railways nearly one-fourth of the appointments go to the Muslims. And if we take it that they are one-fourth of the population, they have already got their due proportion in the railway services, and I do not see any reason why so many Honourable gentlemen should take the trouble of proposing cuts on the ground of lack of Muslim representation in the railway services.

An Honourable Member: This refers to subordinate services.

Bhai Parma Nand: This Report gives figures for all the posts, subordinate and higher. Taking the grand total for all the State-managed Railways you will find that the Moslems, inspite of their coming in so late, have not got less than one-fourth of the appointments in the department.

An Honourable Member: On what pay?

Bhai Parma Nand: The Report is there. I will give the figures. I will first take the Eastern Bengal Railway. There are 6,600 permanent and 512 temporary Hindus. The Muslims are 1,080 permanent and 236 temporary.

An Honourable Member: What is the population of Eastern Bengal?

Bhai Parma Nand: The Eastern Bengal Railway does not run only through East Bengal. It runs through various other parts, where the population is not in the same proportion. So, on this railway we find that the Muhammadans have got nearly one-fifth of the appointments.

Then we come to the North Western Railway, which is the biggest Railway. They have got 10,052 permanent and 1,242 temporary Hindus. In opposition to this, they have got 4,147 permanent and 753 temporary Muhammadans. That is to say, against 11 thousand Hindus they have 5 thousand Muhammadans, which comes to nearly one-half.

An Honourable Member: What is the Muslim population of the Punjab?

Bhai Parma Nand: The North Western Railway does not run only through the Punjab, but through several other provinces.

An Honourable Member: What about the Frontier Province?

Bhai Parma Nand: The Frontier Province has got a population of 25 lakhs, which is one-twentieth that of the United Provinces through which this railway runs.

(Interruptions by some Muslim Members.)

Mr. President: Order, order. Honourable Members can contradict the speaker when their time comes.

Bhai Parma Nand: This railway runs through the United Provinces, Punjab, the Frontier Province and also Sind, and taking the average population of all these places through which this railway runs, you find that out of 11,000 Hindus, 5,000 Muslims is in no way a low proportion for the Muslims. The railways are not provincial concerns and you are not to find out the proportion of services according to the population in the provinces. Taking India as one whole country and all its people as one people you have to take the Muslim proportion as one-fourth. Therefore I say that in the North Western Railway they have got almost half of the services in their possession, and they have no right to grumble about lack of representation on this railway.

Then we come to the Great Indian Peninsula Railway. Here we find that there are 9,295 permanent and 368 temporary Hindus. Against this, there are 1,459 permanent and 62 temporary Muslims. Here the proportion is somewhat lower, but I want to point out that one particular feature of this railway is, that besides these 1,459 Muslims, you have got 1,308 Anglo-Indians and 1,307 Christians. That is to say, from the minority communities combined there are 4,000 altogether.

Mr. President: Order, order. The Honourable Member has got one minute more.

Bhai Parma Nand: If the minority claims are to be regarded, these 1,300 Anglo-Indians and 1,300 Christians should be reduced, and their places should be given to the Muhammadans. Why should the Hindus suffer because the Muhammadans want their rights on a population basis?

[Bhai Parma Nand.]

Then there is one other railway, the East Indian Railway. There are 13,000 Hindus and 3,000 Muhammadans in that railway in permanent service and over 1,100 Hindus and over 400 Muslims in temporary service. In this case also there are Anglo-Indians 1,581. Therefore taking 1,581 Anglo-Indians and 3,500 Muhammadans, their total number comes to more than 4,500 minorities and 14,000 Hindus. Thus, Sir, the question of majority and minority rights can be settled by fixing the principle according to a population basis in India taken as a whole and not by taking the provinces singly.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Why does not the Hindu Mahasabha settle that?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Having regard to the number of Honourable Members who are still getting up to address the House, the Chair should like to ask Honourable Members what their views are as regards sitting today. If Honourable Members wish to sit till a late hour, the Chair has no objection; but if they want to conclude as usual at about 5 o'clock, then the Chair cannot call upon any Honourable Member now to address the House. The Honourable Member in charge will require reasonable time to answer the criticism which has been made. The Chair is entirely in the hands of Honourable Members and is quite willing to sit till a late hour if they so desire.

Mr. Maswood Ahmad: Some misrepresentation has been made and misleading figures have been quoted by the last speaker and he must be corrected. The figure includes bhistis, bhangis and many other menials. The whole speech is full of misrepresentations so any one of us should be given a chance of reply.

Mr. President: Honourable Members will have ample opportunity to reply when the cut motions are being discussed. There are so many cut motions on this subject that a complete reply could be given when the opportunity arises. I should like to know if the House desires to sit till a late hour today; the Chair is perfectly agreeable. (*Several Honourable Members*: "No, no.") I take it, then, that the general desire is that I should now call upon the Honourable Member in charge to reply. (*Several Honourable Members from all sides of the House*: "Yes, yes.")

The Honourable Sir George Rainy: Sir, I find myself in the usual difficulty in which I am placed annually because it naturally happens in the course of the general discussion that each Member takes up the points which specially interest him. The result is that a very considerable variety of points come under review during the course of the debate, and I am afraid it would hardly be possible within any reasonable time to reply to all that has been said by speakers from various parts of the House, nor indeed is it necessary that on all points that I should do so. For instance, Dr. Ziauddin Ahmad was very severe on the proceedings of the Standing Finance Committee and the absence of Members from these meetings. I regret to see that he is absent now, and I hope he will not suggest that in his absence we have been doing improper things . . . .

An Honourable Member: He has got fever.

The Honourable Sir George Rainy: But on that point he has been sufficiently answered both by my friend Mr. Yamin Khan and by another Member.

Then again, I do not know whether it is necessary for me to reply at length to the last speaker, Mr. Bhai Parma Nand, believing, as I do, that several Honourable Members sitting on my right will probably undertake the duty of making that reply, perhaps tomorrow, or perhaps the day after. It might be rather an anticipation of coming events if I were to relieve them of that duty now. Therefore, what I must attempt to do, Mr. President, is to select the more salient points that have emerged in the various speeches which have been made and to say something about the more important of them.

Perhaps, I might begin with the point raised by my friend Sir Hugh Cocke, and also by the Deputy President, namely the question whether we had not now reached a point in the history of the railways in India when it had become necessary not to treat the railways as if they were in isolation, but to consider the whole question of transport as a single problem, and in particular, to consider the relation and co-ordination of rail transport and road transport. Personally, I think that is a very important question which must, as time goes on, more and more occupy the time and the thoughts of those who are responsible either for the administration of the roads or for the administration of the Railways.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

I am glad that the point has been brought forward in this House as one which might engage the attention of those who have under their consideration at the moment matters connected with the future constitution of India. I should not dream to-day of offering any solution of my own as to how the matter might be adjusted, but certainly the course of events all over the world in one country after another, and also in India itself, suggest that, before very long, the necessity of co-ordination will be forced upon us whether we will or no, and that therefore it might be advisable that some provision on the subject should be made in the constitutional structure. But in saying that I should wish to make it very clear that I do not pose as an authority on constitutions nor do I desire to speak as one who has any special knowledge on the subject. On the other hand both of my Honourable friends, the Leader of the European Group and the Honourable the Deputy President, spoke from the same point of view, not as experts, but as men of intelligence who had been deeply impressed by what they saw going on before their eyes from day to day, and that is a point of view, Sir, from which all of us in this House are certainly entitled to speak. My friend Sir Hugh Cocke raised a small point about the manner in which the figures were presented in the Railway Board's memoranda on the Budget. All I should like to say about that is that, when suggestions are placed before us, we usually, I think, consult the Standing Finance Committee, and to a large extent we are guided by their advice. I have no doubt that before the next Budget is introduced the matter will be considered, but I understand that sometimes on matters of this kind opinion is not unanimous, and it is always difficult, I think, for those of us

[Sir George Rainy.]

who are responsible for presenting the Budget to know just how it appears to those who receive it, because naturally our point of view is somewhat different and we do not have the same difficulties in following the figures.

Now, Sir, my Honourable friend Sir Henry Gidney took a line which surprised me a little. His argument at the outset of his speech apparently was this that other railways in many other countries had made much bigger losses and they had done nothing in the way of retrenchment, and so why should the Indian railways do very much. I do not think, as far as I could gather, he earned a great deal of support from any quarter of the House, and therefore I do not propose to dwell on that because it was implicitly answered in other speeches. On this topic the variety of opinions is a little embarrassing. If I were to try to give effect to all that has been said in all quarters of the House, I should find myself in a little difficulty between those who object to any increase in freights and fares, those who object to any reductions in pay or establishment, and those who demand the most rigid retrenchment. Between those somewhat divergent streams of thought I might have to swim for my life.

On some of the points raised by my Honourable and gallant friend I shall no doubt have an opportunity of speaking when some of the cuts are moved, as for instance, his accusation that we have discharged too many subordinates and too few officers. Then Sir Henry Gidney said, do not put the burden on the staff; put it on the general public. I am sure that what I am about to say will clash with the feelings of every Member in this House, but my reply would be simply this, "I only wish I could" and I am afraid that my abstaining from trying to take that course is due not so much to any innate virtue of mine, but to my profound conviction that I cannot do it. As I said in my speech, I do not believe that there is any solution of our difficulties to be found in a general increase of freights and fares, and that being so, I am afraid very much that we cannot think of doing it. Finally, my Honourable friend wanted to reorganise the Railway Board, or rather he forecasted the necessity of reorganising the Railway Board and he gave an interesting little sketch of the kind of organisatoin which he contemplated. It was not very different from what has been suggested on various occasions; that is to say, you would have at the top of the organisation something corresponding to a board of directors consisting largely of men of business with financial experience, and you would also have something corresponding to an executive committee of management which could in the main consist of railway officers. It is a very interesting and very important question, but I am afraid it would lead me very far afield, and it would take far too long if I were to attempt to open up that topic to-day.

Sir, I come to the speech of my Honourable friend Mr. Ghuznavi. I am grateful to him for all he said about myself, and I entirely agree with what he said about Sir Alan Parsons. But I am afraid I must say that I never listened to a speech in this House with more pain or more regret, because that speech contained what I am afraid I must call a very violent attack on the Chief Mining Engineer of the Railway Board, Mr. Whitworth I regret, and I think I had reason to do so, that any Member of this House should have made that attack in the manner he did. (At this stage Mr. K. Ahmed tried to interrupt the Honourable Member). I am afraid I cannot give way to my Honourable friend. The first statement to which

I wish to draw attention is his statement that, "The Chief Mining Engineer practically decides from which firms coal should be taken and what quantity each of them should supply". If my Honourable friend believes that, he is under a complete illusion. The proposals of the Chief Mining Engineer for coal purchase are examined extremely closely and very carefully by the Railway Board, and especially by the Financial Commissioner, and all important points are referred to me. It is very far indeed from being the case that the Chief Mining Engineer has an unfettered discretion. The second statement to which I wish to refer is this:

"This policy is responsible for huge loss to the railways inasmuch as higher prices are given to favourite tenderers of the Chief Mining Engineer, and though coal of better quality is tendered at lower prices by others such tenders are not accepted."

There is no foundation whatever for that statement, Mr. Deputy President. (*Mr. A. H. Ghuznavi*: "I can prove it".) And I repudiate the insinuation which it contains. It ought not to have been made, and I hope my Honourable friend will regret what he has said.

Mr. A. H. Ghuznavi: You will change your mind when you have heard me later on.

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

The Honourable Sir George Rainy: My Honourable friend then went on to another matter which occupied the greater part of his speech. He referred to incidents which took place seven years ago, some of which I remember very well. The implication of my Honourable friend's speech—I have the report of the Reporter before me—I understand his suggestion to be that Mr. Church in that case was guilty of criminal conduct and that Mr. Whitworth was his accomplice. Now, I suggest that, when an Honourable Member on the floor of this House brings forward a charge of this kind,—I think the House is entitled to have from him at the time he makes it some explanation of why the charge is made at this particular time. Except for his reference to a rumour as to the cause of Mr. Church's death, except for that, I find nothing in the facts alleged in the speech that have not been public property since seven years ago. Now, why after seven years is that matter brought up? Government have been perfectly well aware of these facts, and their confidence in Mr. Whitworth has never been shaken. And I do think that it is incumbent upon my Honourable friend to explain his reasons, because I have seen nothing in the newspapers to suggest what was coming, no one has approached the Railway Board, no complaints have been made, and then suddenly like a bolt from a clear sky comes this attack on the floor of the House where the Honourable Member is sheltered by his privilege. It will be for the House to judge how far that is a fair thing for any Honourable Member to do.

Now, Sir, I propose to pass on from that. It was necessary for me to say as much as I did, but I do not wish at this stage to say more, and I turn to what fell from my Honourable friend Mr. Joshi. His main complaint was that my policy was all wrong from beginning to end. I make no complaint of that; indeed, if I may say so, it is a little refreshing during the course of this discussion to find some men who prefer smooth pebbles from the brook to the wreaths of flowers as their ammunition. When I think of Mr. Joshi, I always think of the scriptural text "Faithful are the

LEGISLATIVE ASSEMBLY

Tuesday, 1st March 1932

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

QUESTIONS AND ANSWERS.

Facilities for Emigration to Brazil.

583. ***Mr. Bhuput Sing** (on behalf of Mr. Gaya Prasad Singh): (*a*) Is it a fact that the approximate number of Indians in Brazil is about 2,000; and are Government aware that Brazil is a vast country with abundant natural resources, and climatic conditions similar to those of India?

(*b*) Are Government aware that the Government of Brazil has opened her door on an equal basis, and without racial prejudice to all emigrants?

(*c*) Are Government aware that from 1926 to 1930 an annual average of one lakh of emigrants landed in Brazil from Europe, Japan, and other countries?

(*d*) Are Government aware that much propaganda is done in many European countries, and in Japan, with a view to encourage emigration to Brazil?

(*e*) Are Government aware of the existence of the Indo-South American Travellers' Aid Society, 189, Hornby Road, Bombay, which disseminates information on Brazil to intending emigrants and travellers?

(*f*) Do Government propose to explore the possibility of assisting the Colonial returned Indians to settle in Brazil by issuing necessary passports, and affording other facilities for emigration?

(*g*) Is there any officer located in Brazil to look after the interests of the Indians in Brazil? If so, who is he?

Sir Evelyn Howell: (*a*) Government are prepared to accept the information supplied by the Honourable Member as substantially correct.

(*b*) Government have no special information as to the general immigration policy of the Brazilian Government, but they are aware that it issued a decree prohibiting all foreign immigration for a period of one year with effect from the 1st January 1931. It is believed to be still in force.

(*c*), (*d*) and (*e*). Government have no special information.

(*f*) In view of the answer to part (*b*) Government do not consider that any useful purpose would be served by taking up the Honourable Member's suggestion at present.

(*g*) His Majesty's Ambassador in Brazil at Rio de Janeiro is responsible for looking after the interests of all British subjects in that country.

[Sir George Rainy.]

wounds of a friend", for he is always faithful in his dealing with the Members of the Government in this House. He asked me a great many questions, and to some of them I certainly could not give answers offhand, but I dare say he will find an opportunity of repeating his questions during the debates on the cuts. But I had to intervene when he was dealing with the functions of the Court of Inquiry, not the "Committee of Inquiry" as he persistently called it. It is a Court of Inquiry established under an Act of the Legislature. When he said that the functions of that Committee were to find out the method by which retrenchment should be effected, I felt bound to protest, and I think perhaps the simplest plan will be to read out the actual terms of reference:

"(1) Whether the retrenchment has imposed improper conditions of work on the staff still employed;

(2) Whether the terms allowed to the staff that has been discharged are inadequate or unreasonable;

(3) Whether, having in view the limitations imposed by the commercial management of railways, the fullest regard has been paid when discharging the staff to the following alternatives: stoppage of recruiting, the operation of normal wastage, working short time, the retirement of staff taking their gratuity and provident fund, or the transfer of individuals to other departments or other railways on similar or even reduced rates of pay;

(4) Whether there has been victimisation or favouritism in discharging; if so, whether this can be avoided and how; and

(5) Whether the staff discharged on the ground of retrenchment can or should be given any assurance of re-engagement", etc.

All these questions are connected with retrenchment and the measures taken to bring about retrenchment, but I do not think it is in any way correct to say that the Court of Inquiry was appointed to consider and devise methods of retrenchment. He also complained that we had employed a very expensive barrister to conduct our proceedings before the Court. Well, Sir, the railwaymen on their side had the services of a very able and distinguished former Member of this House, Mr. Jamnadas Mehta, whom we remember very well. If such a formidable champion comes out to attack us, we must also endeavour to see that we are suitably defended by the right kind of champion. The attempt to move my pity for the down trodden railwaymen on the ground of the expensiveness of the barrister, I am afraid, rather missed fire.

Then I come to my friend Mr. Das. I was glad to find that my blandishments had not completely conquered his more independent views of life, but the particular point which I wish to make about his speech is this. He said it was the wretched English management—the methods borrowed from England and these officers borrowed from England—that had brought about financial chaos in the railways. Then he went on to say that the times were so bad that no one can afford to buy anything. How does my Honourable friend expect the railways to sell their tickets if nobody has the money to buy them? I would suggest to my Honourable friend that, when he proposes to make use of several different arguments, he should try to satisfy himself whether they are perfectly consistent, or whether it may not be possible to turn the point of his weapon back against himself.

One more remark I should like to make about what fell from my Honourable friend Mr. Sitaramaraju. He complained of the excessive cost of audit. What I feel about audit is this. Audit is so to speak the dog which is appointed to bite me when I go wrong, and when somebody raises the question how many teeth the dog should have, I feel a certain delicacy as to whether I should express any opinion or not. Naturally as the victim of audit, I might consider it advisable that it should have as few teeth as possible, but on the other hand those who think that we are dangerous people may think that the dog should have a great many teeth which means a very strong audit department. I wanted to mention that point, because it gives the reason, one reason at any rate, why I feel some difficulty in going into that question in any detail. I know the Railway Retrenchment Committee thought that there should be a considerable reduction in the audit establishment. We have not yet had the final opinion of the Auditor General, and in the absence of that, and until it has been fully considered, I am afraid it is not possible for me to say more.

That, Sir, brings me to the end of what I can usefully say on this occasion, and before I sit down I should like to thank all Honourable Members for the many kind things that they have said about me. I try hard to believe them, but I do not find it very easy to do so. I was particularly touched by the little verse that my Honourable friend Mr. Ranga Iyer quoted which I thought was singularly apposite and of which he was good enough to send me a copy. "Seeing only what is fair"—and it is always on the Opposition Benches that my eyes rest in this House. "Sipping only what is sweet,"—and my ears have been drinking it all in to-day. "Thou dost mock at fare and care,"—I do, Mr. President, I do. I would, however, in a more serious vein add this. I have never in this House experienced anything but the greatest kindness and courtesy from Honourable Members in every part of it, and I am very grateful if in any way they feel that I have been serviceable to them, for belonging as I do to a "service," that is what matters most to me, that my service should be effective, and if it may be, appreciated.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 1st March, 1932.

TEST ROOMS IN THE NEW DELHI AND AGRA CENTRAL TELEGRAPH OFFICES.

584. ***Mr. Bhuput Sing:** (*a*) Will Government be pleased to refer to starred question No. 531 of the 12th March, 1930, and state whether the fitting of the Test Room in New Delhi and Agra Central Telegraph Offices has proved, in any way, advantageous over the systems employed previously, if so, how?

(*b*) Do Test Rooms need, necessarily, additional staff to work them? If so, why and what such additional staff?

Mr. T. Ryan: Sir, as questions Nos. 584 to 590 inclusive all relate to the same subject, with your permission I shall deal with them together; and as my answer is rather long I would ask your permission to lay it on the table instead of reading it.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I am afraid you have got to read it.

Mr. T. Ryan: Sir, because the term "Test Room" is somewhat misleading, and has, I think, misled the Honourable Member, I shall begin by giving a short explanation of what the Test Room system really is.

In all the big telegraph offices a great deal of the work is dealt with by high-speed telegraph apparatus which is both complicated and delicate. Part of this apparatus must necessarily be under the hands of the operative staff but other parts need not be on the instrument tables as has however generally been the practice in the past. This latter part of the equipment requires the constant attention and supervision of the technical engineering staff, both to supervise its regular operation and to correct defects as quickly as possible when they occur. The Test Room system, though its introduction represents an important change, does not represent any *fundamental* alteration in the system of telegraphy employed or in the methods of handling traffic; it consists essentially only in the removal from the telegraphists' tables of the apparatus not required in the actual manipulation of the sets, and its segregation, either in a separate room, or, at least, in a separate part of the instrument room where it can be under the close supervision to which I have already referred. This arrangement is, I am informed, the standing practice now-a-days in America; it has lately been adopted by the British Post Office at Leeds and at Glasgow; and I have seen an authoritative statement that it is likely to be extended to other large offices in Great Britain.

The advantages secured by this arrangement are, briefly, that it makes for improved speed in disposal of traffic by confining the operators' attention to the instruments which concern them and by facilitating technical control and the rapid elimination of difficulties in working.

I now proceed to answer the specific questions asked by the Honourable Member.

No. 584.—(*a*) In the case of the New Delhi Office no other system has been employed, as the Test Room system was adopted from the outset when the office was originally fitted. Experience both in New Delhi and Agra has shown that the Test Room system affords the advantages in working to which I have just referred.

(*b*) No.

No. 585.—(*a*) No special technical officers are engaged.

(*b*) In New Delhi, during the Delhi Season Rs. 1,847 per mensem; during the Simla season Rs. 1,694 per mensem; in Agra Rs. 3,056 per mensem; not allowing for the recent cut in pay.

(*c*) In New Delhi it would be the same as stated. In Agra before the introduction of the Test Room, the expenditure was Rs. 2,809 per mensem. The slight increase in the case of Agra is not necessarily connected with the introduction of the Test Room system.

(*d*) The cost of installing the Test Room in New Delhi was included in the original cost of the office and to calculate separately the cost of the Test Room at this stage would be practically impossible. As regards Agra, reference is invited to the reply given by the Honourable Sir Bhupendra Nath Mitra on the 12th March, 1930, to item (*b*) of starred question No. 531 asked by Sir Muhammad Yakub in the Legislative Assembly.

(*e*) The information is not available, but there is no reason to think that the expenditure has increased.

(*f*) No.

No. 586.—(*a*) Yes. When Test Room and non-Test Room offices work in conjunction, nothing results beyond the normal transmission of telegrams.

(*b*) I have already answered the first parts of this question. The different telegraph systems employed by the Department are Morse, Baudot and the Teleprinter system, of which the first two have been employed for many years, and the last is still under trial. On the wireless circuit between Madras and Rangoon the Wheatstone system is also in use.

(*c*) No.

No. 587.—Telegraph Masters are members of the Traffic Staff who devote the whole of their time to Traffic duties which are mainly supervisory. By 'technically qualified officers', I understand the Honourable Member means members of the Electrical Staff who devote their time to technical duties consisting mainly of the regulation of the electrical equipment, the localisation of faults, etc. I do not understand the Honourable Member's concluding enquiry.

No. 588.—A Committee of departmental officers investigated the working of the Test Rooms. As a result it has been decided that, while there are certain disadvantages in the use of separate Test Rooms, it is clear that the system has many important advantages from the traffic and engineering point of view, and it has been decided that in fitting new large telegraph offices or refitting old ones, the system should in future be adopted with suitable modifications based on the valuable experience gained at New Delhi and Agra. The Electrical Engineer-in-Chief was not consulted before the scheme was adopted, but it had the approval of his superior officer, the Chief Engineer, Posts and Telegraphs. The Electrical Engineer-in-Chief was a member of the Committee to which I have just referred, and was a party to certain criticisms of the manner in which the test rooms had been installed and to recommendations for modifications in future practice.

589. No. Of all the circuits in New Delhi and in Agra one working circuit has been fitted in the Instrument Room in each station, the departure from the normal Test Room method of fitting being for comparative purposes. Arrangements are being made to fit these according to the standard Test Room method.

590. No. Government do not propose to abandon the Test Room system but rather to extend its use for the reasons I have already given.

Mr. Bhuput Sing: Will the Honourable Member in charge kindly inform the House whether such test rooms are established in any other big office in India except Delhi and Agra?

Mr. T. Ryan: Not in India, Sir. They have been introduced in the first instance experimentally in Delhi and Agra following the practice in America. It has also been adopted, as I explained, in the United Kingdom. The intention is to adopt the same system with suitable modifications as the result of the satisfactory experience obtained.

TECHNICAL STAFF AND COST OF TEST ROOMS IN THE NEW DELHI AND AGRA CENTRAL TELEGRAPH OFFICES.

†585. ***Mr. Bhuput Sing:** (*a*) What special technical officers are engaged in working the Test Room at New Delhi and Agra Central Telegraph Offices? How many of each cadre? What are their respective salaries?

(*b*) What is the actual cost incurred, separately, on technical staff in both Test Rooms?

(*c*) What is the cost of staff, normally, with the Test Room eliminated?

(*d*) What is the additional expenditure on extra apparatus, fittings, etc., incurred on each Test Room, separately?

(*e*) What is the recurring maintenance charges, annually, on the upkeep of apparatus, plant, renewals, etc., hitherto, since the inception of the Test Room scheme for each centre? What were the recurring charges, previously, without the Test Room?

(*f*) Is is a fact that New Delhi and Agra, are possessed, virtually, of two Telegraph Offices each,—one, the Test Room, whilst, the other the Signal Office itself, causing thereby, duplicity of apparatus and staff and consequently a duplication in expenditure throughout?

RESULT OF INSTALLATION OF TEST ROOMS AT THE NEW DELHI AND AGRA CENTRAL TELEGRAPH OFFICES.

†586. ***Mr. Bhuput Sing:** (*a*) Has the installation of the Test Room device in Agra and New Delhi, improved or accelerated, the real working capacity of the various systems of telegraphy employed? If not, what cause or justification is there for the super-imposition of the Test Room? What actually results when Test Room and non-Test Room Offices work each other?

†For answer to this question, *see* answer to question No. 584.

(*b*) What warranted the introduction of the Test Rooms? How has the Test Room simplified matters? What are the various telegraph systems employed by the department and how long have they been in use?

(*c*) Is it true, a working telegraph line, between the Test Rooms of Agra and New Delhi is kept aside and set apart, solely, to facilitate Test Room business? If so, has any revenue loss been sustained, hitherto, on this item alone? If so, what?

UTILIZATION OF SERVICES OF TECHNICAL OFFICERS IN THE NEW DELHI AND AGRA CENTRAL TELEGRAPH OFFICES.

†587. ***Mr. Bhuput Sing:** How are the services of Telegraph Masters, also technically qualified officers, utilized in their respective technical capacity, in New Delhi and Agra offices? If not, why not?

MERITS OF THE TELEGRAPH TEST ROOM.

†588. ***Mr. Bhuput Sing:** Has there been a departmental enquiry set up heretofore to examine the real merits and demerits of the Test Room? If so, what was the finding under each count? Was the Chief Electrician consulted before and after the scheme materialized? If so, what was his considered opinion in every aspect and in both instances?

CIRCUITS OF TELEGRAPH LINES ENTERING NEW DELHI AND AGRA.

†589. ***Mr. Bhuput Sing:** Is every single working circuit or line entering both New Delhi and Agra Offices terminated at the Test Room and thence, extended or projected into its respective Signal Office? If not, what are the exceptions, if any, and reasons for departure in each case?

ELIMINATION OF TELEGRAPH TEST ROOMS AT AGRA AND NEW DELHI.

†590. ***Mr. Bhuput Sing:** Are Government aware that by eliminating immediately the two Test Rooms altogether at the Agra and New Delhi Central Telegraph Offices, there would be a saving of another 50,000 rupees at least, annually, to a distressing budget? Do Government propose to abandon the Test Room at once? If not, why not?

ALLOWANCES IN THE OFFICE OF THE RAILWAY BOARD.

591. ***Mr. S. C. Mitra** (on behalf of Mr. B. N. Misra): (*a*) Is it a fact that orders were issued by the Railway Board to discontinue all special and compensatory allowances in all offices including the Railway Board on and from 1st August, 1931.

(*b*) Is it a fact that the order was subsequently interpreted to apply only to subordinate offices and not to the Railway Board Office itself, the Central Standardisation Office, etc.?

(*c*) If the answer to the above is in the affirmative, will Government be pleased to say:

(i) how many men are getting these allowances in the Railway Board Office, Central Standardisation Office and the Chief Publicity Office and what is the total cost per mensem on that account; and

(ii) if they propose to discontinue these allowances forthwith?

†For answer to this question, *see* answer to question No. 584.

Sir Alan Parsons: (*a*) The allowance of daftries above Rs. 40 has not been cut by half. The inferior staff in the office of the Railway Board are governed by the rules applicable to railway employees generally. The temporary reduction in pay of the inferior staff is as follows:

(i) When pay does not exceed Rs. 30	half anna in the rupee for every completed rupee.
(ii) When pay exceeds Rs. 30 . .	one anna in the rupee for every completed rupee.

(*b*) If the Honourable Member's question relates to personal allowance now termed personal pay, such pay will count towards pension provided the amount of pension does not exceed Rs. 20 per mensem.

Mr. Abdul Matin Chaudhury: In view of the fact that the other Government departments do not make any cut in the pay of the low paid daftries, will the Government reconsider their decision as regards the inferior staff in the Railway Board?

Sir Alan Parsons: The question was very carefully considered whether daftries in the Railway Department should be treated on the same footing as the daftries in the other civil departments and it was decided that it would be more just to treat them like other railway employees.

Mr. Abdul Matin Chaudhury: Does the allowance of superior officers count towards pension?

Sir Alan Parsons: I am afraid I do not understand what superior officers the Honourable Member is referring to.

Mr. Abdul Matin Chaudhury: In connection with my question whether the allowances of daftries count towards pension, I want to know whether the allowances of superior officers count towards pension, I mean officers above the rank of daftries?

Sir Alan Parsons: There is no distinction between one officer and another in the matter of the emoluments which count for pension.

Mr. Abdul Matin Chaudhury: In the case of what class of officers do the allowances not count for pension?

Sir Alan Parsons: I find some difficulty in following what the Honourable Member wishes to get from me. There are certain emoluments which count as pay for reckoning pension. There is no distinction between one class of officers and another in so far as the nature of the emoluments which count for pension is concerned.

Mr. Abdul Matin Chaudhury: I want to know if in the case of a certain class of officers the allowances do count for pension, why should they not count for pension in the case of the daftries?

Sir Alan Parsons: I have informed the Honourable Member that such allowances as personal pay count towards pension provided the amount of pension does not exceed Rs. 20 per mensem.

Mr. Abdul Matin Chaudhury: Do these daftries get Provident Fund and other benefits enjoyed by other railway employees?

Sir Alan Parsons: If the daftries are non-pensionable, they belong to the Railway Provident Fund and enjoy all the benefits of the Provident Fund as enjoyed by other railway employees.

Travelling Allowances of Inferior Servants of the Government of India.

596. *Mr. Abdul Matin Chaudhury: (*a*) Is it a fact that travelling allowance for the family of an inferior servant of the Government of India is limited to only two railway fares when moving between Simla and Delhi at the time of the seasonal move of offices?

(*b*) Are Government aware that this puts out of pocket such of the inferior servants as have more than two family members?

(*c*) If so, do Government propose to remove this hardship? If not, why not?

The Honourable Sir James Crerar: (*a*) Yes.

(*b*) and (*c*). Until 1930 the grades of servants referred to used to receive only a double third class fare. In that year in recognition of the fact that this was inadequate for those of them who travelled with their families, it was decided to grant to all inferior servants in the Secretariat proper who move with their families one extra fare for a wife and another fare or two half fares for child or children, in addition to the two fares previously granted. Government do not consider that there is now any appreciable hardship that calls for removal.

Mr. B. Das: In case of persons having more than two wives, do Government also allow fares for two wives and more?

The Honourable Sir James Crerar: The rules are made to provide for necessities and not for luxuries. (Laughter.)

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

Mr. President: I have to inform the Assembly that the following six members have been elected to serve on the Standing Committee for Roads, namely:

1. Mr. G. Morgan.
2. Mr. Uppi Saheb Bahadur.
3. Mr. A. H. Ghuznavi.
4. Rai Bahadur Pandit T. N. Bhargava.
5. Rai Bahadur Sukhraj Rai.
6. Mr. N. R. Gunjal.

Sir Alan Parsons: (*a*), (*b*) and (*c*) (*ii*). In April 1931, the Railway Board issued instructions to the Agents of State-managed railways and Heads of offices subordinate to the Railway Board that all special pay attached to particular posts should be considered as withdrawn with effect from the 1st July, 1931 unless specifically renewed. The intention was to bring each case under review. The instructions did not apply to compensatory allowances. Although the Chief Controller of Standardisation was not addressed officially, the instances in which special pay was attached to posts in that office were reviewed in the same way as other posts. The same procedure was followed in respect of posts in the Railway Board's Office.

(*c*) (*i*) The number drawing special pay at present is 22 and the cost is Rs. 2,700 per mensem. The cost of compensatory allowances of these establishments is Rs. 325 a month.

OFFICE HOURS IN THE OFFICE OF THE CONTROLLER OF RAILWAY ACCOUNTS.

592. ***Mr. S. C. Mitra** (on behalf of Mr. B. N. Misra): Is it a fact that hours of office attendance have been altered only in the Controller of Railway Accounts Office from 10 A.M. to 5 P.M. whereas in the Railway Board the same hours continue?

Sir Alan Parsons: In the office of the Controller of Railway Accounts the office hours are 7 hours a day for 5 days in the week with a half hour recess making 6½ hours net, and on Saturdays 4 hours, no recess being granted. In the office of the Railway Board the office hours are 6 hours a day for 5 days in the week and 3½ hours on Saturdays, no recess being granted.

DISCHARGE OF TEMPORARY STAFF IN THE CONTROLLER OF RAILWAY ACCOUNTS OFFICE.

593. ***Mr. S. C. Mitra** (on behalf of Mr. B. N. Misra): (*a*) Is it a fact that some six temporary men out of the temporary staff of the Railway Board's Office were transferred along with the statistical work to the Controller of Railway Accounts Office and were given promises by the Deputy Secretary, Railway Board, that they would be confirmed against the six posts in class two that they were carrying with them?

(*b*) Is it a fact that only one man was confirmed and that was also because he was a member of the minority community? If so, why?

(*c*) Is it a fact that the temporary staff in the Railway Board's Office are being provided for while these temporary men are being thrown out? Is it a fact that some of them are far senior to those in the Railway Board's Office?

(*d*) Is it a fact that men with more than 25 years' service are being kept while young and low-paid staff are being thrown out in the Controller of Railway Accounts' Office? Do Government propose to retain the young staff in place of those who have put in more than 25 years' service or those who are inefficient among the permanent staff?

Sir Alan Parsons: (*a*) The only assurance given to the temporary men concerned was that they would not be adversely affected by the transfer.

(*b*) Only one man was confirmed because the efficiency and seniority of other temporary men already working in the Controller of Railway Accounts office had also to be considered.

(*c*) Owing to retrenchment the 5 remaining men in the Controller of Railway Accounts Office are being discharged. Temporary men in the Railway Board's office are also being discharged.

(*d*) I am informed that there is only one clerk with more than 25 years service in the Controller of Railway Accounts Office, but he is not approaching superannuation. The selection for discharges is being made strictly in accordance with the orders in the Railway Board's letter No. 683-E. G. of the 3rd March, 1931, and Government see no reason to alter these orders.

DISCHARGE OF TEMPORARY STAFF IN THE CONTROLLER OF RAILWAY ACCOUNTS OFFICE.

594. ***Mr. S. C. Mitra** (on behalf of Mr. B. N. Misra): (*a*) Is it a fact that when some eight posts on account of the transfer of the statistical work in the Controller of Railway Accounts Office were permanently and provisionally filled, seniority and efficiency of all the temporary clerks was considered and those who were not considered were either junior or inefficient?

(*b*) If the answer to the above is in the affirmative, why are junior men being given preference over those who are senior and were provisionally confirmed?

(*c*) Are Government prepared to investigate the matter and reconsider the case of the temporary clerks in the Controller, Railway Accounts' Office, if not, why not?

Sir Alan Parsons: (*a*) Yes, except for persons on deputation from other offices.

(*b*) No junior men have so far been given any preference, though, I understand, that one comparatively junior clerk is being considered for preferential treatment on account of his exceptionally good work.

(*c*) No. Government are satisfied that their orders on the subject are being carried out.

ALLOWANCES OF DAFTRIES IN THE RAILWAY DEPARTMENT.

595. ***Mr. Abdul Matin Chaudhury:** (*a*) Is it a fact that the Railway Department have cut down the allowance of daftries above Rs. 40 by half and have also cut down the pay of lower paid daftries according to certain other criteria—thus penalising men in both ways? If so, are they prepared to exempt lower paid daftries from the cut in accordance with the Honourable the Home Member's reply to starred question No. 375 on the 16th February, 1932?

(*b*) Are allowances of daftries counted towards pension? If not, why not?

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

"I am directed to inform you that the Council of State has, at its meeting held on the 29th February, 1932, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at its meetings held on the 3rd, 12th and 22nd February, 1932, namely:

A Bill to amend the Indian Companies (Amendment) Act, 1930, for a certain purpose,

A Bill to repeal the Employers and Workmen (Disputes) Act, 1860,

A Bill to extend the operation of the Wheat (Import Duty) Act, 1931,

A Bill to amend the Indian Finance (Supplementary and Extending) Act, 1931, for a certain purpose, and

A Bill to provide for the fostering and development of the wire and wire nail industry in British India."

The second Message runs as follows:

"I am directed to inform you that the Bill to define and amend the law relating to partnership which was passed by the Legislative Assembly at its meeting held on the 17th February, 1932, was passed by the Council of State at its meeting held on the 29th February, 1932, with the following amendments, namely:

'1. In sub-clause (*1*) of clause 11, for the words "The mutual rights and duties", the words "Subject to the provisions of this Act, the mutual rights and duties" were substituted.

2. For sub-clause (*6*) of clause 30, the following sub-clause was substituted, namely:

'(*6*) Where any person has been admitted as a minor to the benefits of partnership in a firm, the burden of proving the fact that such person had no knowledge of such admission until a particular date after the expiry of six months of his attaining majority shall lie on the person asserting that fact'."

3. For sub-clause (*4*) of clause 69, the following sub-clause was substituted, namely:

'(*4*) This section shall not apply—

(*a*) to firms or to partners in firms which have no place of business in British India, or whose places of business in British India are situated in areas to which, by notification under section 55, this Chapter does not apply, or

(*b*) to any suit or claim of set-off not exceeding one hundred rupees in value which, in the Presidency-towns, is not of a kind specified in section 19 of the Presidency Small Cause Courts Act, 1882, or, outside the Presidency-towns, is not of a kind specified in the Second Schedule to the Provincial Small Cause Courts Act, 1887, or to any proceeding in execution or other proceeding incidental to or arising from any such suit or claim'."

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

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

Secretary of the Assembly: In accordance with the provisions of rule 25 of the Indian Legislative Rules I lay on the table a Bill further to amend the Code of Civil Procedure, 1908, for a certain purpose, which was passed by the Council of State on the 29th February, 1932.

SECOND STAGE.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Before taking up the Demands for Grants, the Chair wishes to invite the attention of Honourable Members to the large number of cut motions of which notice has been given. Honourable Members are no doubt aware that cut motions are usually divided into three categories. One is to reduce the amount of the Demand to a nominal figure of one rupee or less. Such motions are intended to refuse supplies for redress of grievances, and no motions of cuts of that character can be entertained except for that purpose. There are two ways of dealing with refusal of supplies with regard to each Demand. One is to oppose the whole grant and reject it; the other is to move a motion of reducing the Demand to a nominal figure. Motions for practical elimination of the whole grant cannot be moved for the purpose of drawing attention to any specific grievance. Attempts appear to have been made to get priority of discussion by moving for whole cuts, and in one case, Honourable Members will observe, the cut motion proposes to reduce the amount of Demand to one pie. It is obvious that no Honourable Member wishing to give notice of a cut motion could have possibly gone below that figure. This, it appears to the Chair, is not the right method of getting priority, and the Chair does not propose to allow cut motions for ventilating specific grievances in this form. All motions for practical elimination of the whole Demand will be entertained on the only ground that the Honourable Member wishes to refuse supplies because he does not approve of the whole policy underlying that Demand. In no other case such cut motions will be allowed.

The second form of cut motions is for the purposes of economy or effecting retrenchment. If any Honourable Member feels that the amount of demand asked for by Government is excessive, he is entitled to move that that amount be reduced by any sum he may decide to fix, with a view to effecting economy. While discussing such motions, it would be relevant to discuss only how that economy can be effected. Here again an attempt to get priority by proposing a large cut to ventilate a specific grievance will not be allowed.

The third form is to move a cut motion for a nominal figure in order to ventilate a specific grievance. Honourable Members are entitled to fix that nominal or token cut at such figure as they like, but having regard to the ruling which I have given to-day, and in order to facilitate the arrangement of priority for such motions it would be desirable if Honourable Members adopted a uniform figure of cut, say Rs. 100. In that case they would be able to ventilate a specific grievance. The Chair has noticed that in some cases Honourable Members have given notice of a cut motion trying to ventilate more than one grievance. In such cases it would be difficult for Honourable Members to exercise their right of vote. The Chair therefore desires that Honourable Members, in giving notice of cut motions, will restrict themselves to one specific grievance. There is no limit to the number of cut motions which an Honourable Member may wish to move for the purpose of ventilating specific grievances on the floor of the House. That being so, he should restrict himself to one grievance in each cut motion so that the House may be able to discuss and vote upon that one issue. I trust I have made the position quite clear in

regard not only to the Railway Budget but also in regard to the General Budget. The ruling which the Chair has given to-day will enable Honourable Members to give notice of cut motions in a manner which would facilitate the business of the House.

DEMAND No. 1.—RAILWAY BOARD.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move:

"That a sum not exceeding Rs. 7,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending 31st day of March, 1933, in respect of 'Railway Board'."

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The first cut motion stands in the name of Mr. Maswood Ahmad, who wishes to reduce the amount to one pie to ventilate a specific grievance, namely, the inadequate Muslim representation in railway services. In view of the ruling which the Chair has given to-day, I should like to ask the Honourable Member whether he will move that the Demand under the head 'Railway Board' be reduced to one pie and make it a motion for refusing supplies. If he wishes to do so the Chair will allow him to move it.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa Muhammadan): Sir, my idea was to discuss the policy about inadequate representation of Muslims.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): That cannot be done on this motion.

Mr. M. Maswood Ahmad: I have another cut for Rs. 100. May I move that?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): That the Chair will deal with each motion as it stands on the Order Paper.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, may I draw your attention to the fact that the Honourable gentleman gave notice on the 29th February, and got precedence?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair has given its ruling on the point. If the Honourable Member does not wish to move this motion with the object of refusing supplies he cannot move it.

Mr. M. Maswood Ahmad: Then, Sir, I have got another cut motion of no confidence.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair has informed the Honourable Member that the cut motions as appearing on the Order Paper will be taken up one by one.

Mr. M. Maswood Ahmad: Then may I move for refusal of the whole Demand?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member will be entitled to do so, but he will have to restrict himself specifically to the issue of refusal of supplies and will not be allowed to deal with any one specific grievance.

Mr. B. Das: Are you prepared to become a Swarajist?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order.

Mr. M. Maswood Ahmad: Sir, I bow to your ruling and will not move this motion.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): With regard to the next motion† standing in the name of Mr. Anwar-ul-Azim the same remarks apply.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Sir, I will not move it.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The next motion is in the name of Mr. Bhuput Sing, who has given notice of a cut motion to reduce the total amount to one rupee without specifying any specific grievance. The Chair therefore assumes that the Honourable Member wishes to raise the question of refusal of supplies as a whole.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Yes, Sir.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Then the Honourable Member can move it.

Mr. Bhuput Sing: Sir, I beg to move:

"That the Demand under the head 'Railway Board' be reduced to Re. 1."

In moving this motion, I am actuated by various considerations, all of which I cannot deal fully within the limited time at my disposal. I shall try to deal with some of the salient features of the Railway Board. The Indian railways have fallen on evil days. The fall in railway earnings is only partly due to world wide trade depression but mainly a creation of the present bureaucracy. When the railways were earning a good profit a few years back, the bureaucracy, without paying any heed to the advice of the Indian Legislature, squandered the railway resources for benefitting a class of railway officers. They went on adding to the number of highly paid British officers one after another, so that Great Britain might be richer by as many Britishers as could be provided in Indian railways on fat salaries. Railway administration in this country has got a woeful tale at its back. All along the railways were being run at a loss and the Indian taxpayers had to pay heavily for such losses and it was only a few years back that they became profit earning. Just at that very moment, the railway finance was separated from the general finance, giving the railway authorities and Administrations a chance of adding any number of new appointments at the headquarters as well as on the different lines. This House since its creation insisted on the reduction of expenditure by reducing the number of Members of the bulky Railway Board, and insisted further that Indians should be trained in the different branches of railway administration so that they could have taken over the work now from the highly paid British officers, and thereby the cost of the top heavy

†"That the Demand under the head 'Railway Board' be reduced to Re. 1." (More Indianisation).

[Mr. Bhuput Sing.]

railway administration would have been considerably reduced. But as usual with the present irresponsible administration they never paid any heed to these insistent demands, though the country has cried itself hoarse both in the press and on the platform as well as in this House. If they would have taken steps to find out real ways and means for the reduction of railway expenditure during the last ten or twelve years they would not have come to this state of penury in which they are at present.

Then coming to the general retrenchment schemes of railways, I am not at all satisfied that the Railway Board and Railway Administrations have done all that could have been done and was desired. Every one knows that all these years the railways had two separate scales of pay, one, a higher one, for the constituents of my friend the Honourable Sir Henry Gidney and another, a lower one for Indians whether Muslim, Hindu, Jain, Sikh, Christian or members of the depressed classes. But owing to the insistent demand of this House as well as of the public press and the political leaders outside, the railway authorities are taking steps to do away with this racial discrimination. But the method adopted by the railway authorities for removing this anomaly is on the contrary increasing the costs of the railway administration in so far that the pay of Anglo-Indians could not be lowered and consequently the pay of others has to be raised wherever possible.

Further, on my perusal of some of the figures for some of the railways, I found that the number of all higher appointments in the railways remains nearly the same this year as in the last year. In the Budget speech of the Honourable Member he flattered himself and the railway administration stating that vigilant watch is being kept over all the railway expenditure for pruning and axing, but if this be the sample of the vigilant watch that is being kept over railway administration I would rather cry halt as these instances are nothing but adding insult to injury.

Then in coming to the question of the fall in the earnings from the passenger traffic, I am to bring to the notice of the railway authorities two points, firstly the Honourable the Railway Member has admitted that now-a-days there is a tendency of the passengers travelling in a lower class: that being so I would ask him as to what arrangements he has made for this increased traffic in the lower classes. As far back as 1924, in reply to a question in this House, Mr. Parsons (now Sir Alan Parsons) stated that the cost of construction of different classes of carriages for passenger traffic will be made available to us. I tried to find it out, but subject to correction. I say that it has not been made available to us yet. If I could have those figures, I would have been able to prove that though third class passengers yield more earning and profit, still the Railway Administrations spend vast amounts of money beyond proportion to build these luxurious higher class carriages, though they are run at a loss. Moreover, the Honourable Sir Charles Innes made a statement in that year that in England first class fares are double that of third class fares whereas in India it is six times the third class fares, insinuating thereby that such third class passengers in India cannot expect to get the comforts that may be expected by such passengers in the United Kingdom and on the Continent. Here in India the cost of construction of first class bogies is surely much more than six times the cost of third class bogies. The net result being that even lower class passengers find that they do not get their money value worth of comforts in comparison with higher class passengers.

and as such they have taken to the road motors wherever available. Further, the incivility and inattention on the part of Anglo-Indian Station Superintendents and other staff to third class passengers is also one of the causes why passenger traffic is decreasing. Further, Sir, in order to divert the passengers from the road motors and buses, railways should take steps to give more amenities by way of sleeping accommodation, provision of fans and other comforts for lower class passengers by which they can bring back their customers. I am sure, Sir, without some such methods being adopted, the passenger earnings will decrease year by year.

I want to say something about what my Honourable friend Mr. Chetty said about motor buses. I think the competition is very wholesome for the railways. Otherwise the railways will never look to economy and retrenchment.

For all these causes I think that the Railway Board is an unnecessary burden on the taxpayers' money. What I suggest is that the Railway Board should be totally abolished and the whole of the department should be entrusted to one Member of the Government to carry on the present duties. The whole of the civil administration of India is being done by Departments with one Member in charge with his two or three Secretaries; so I do not see any reason why the railway administration cannot be worked efficiently by a single Member with two or three Secretaries with expert knowledge, and that is the reason why I have moved this motion that the Demand under this head be reduced to Re. 1. Sir, I move.

Dr. Ziauddin Ahmad (United Provinces Southern Division: Muhammadan Rural): Sir, this motion practically means that the Railway Board should be abolished; and from what we have been discussing during the last two years I for myself do not find any reason for its existence in the present form. I have been trying to find out whether the responsibility for efficiently running the lines rests with the Agents or the Railway Board. I put this question definitely in the Assembly, but I got no reply; and if the Railway Board do not take the responsibility upon themselves for the efficient working of the railways, I do not see any reason for their existence, and the motion of my Honourable friend is quite to the point. It has been pointed out, and I also said so briefly yesterday, that the Railway Board has been mismanaging the railway funds. During the last six years when the accounts were separated from the general finances they spent in the neighbourhood of 186 crores of rupees only on running the lines and about 45 crores on new lines. Now they said very clearly when they demanded sanction for these 45 crores, that these new lines would yield an income of from 5 per cent. to 13 per cent., different in different cases. But we find that they yield only 1 per cent., while the money was borrowed for them at 5·7 per cent. Who has got the responsibility? The Railway Board certainly has got the responsibility, and if they cannot explain on the floor of the House today the reason for this abnormal diminution in the income which cannot be explained by reason of general depressions alone, certainly there is no justification for their existence, and the motion which my Honourable friend has brought forward is quite justified.

The second thing is—and this is a thing which has to be considered rather seriously,—whether instead of having paid Members of the Railway Board, we should not adopt the system of the companies and have honorary members of the Board who may meet whenever the occasion demands and carry on the work in the same manner as the Directors of Company-managed railways are carrying on or as the Directors of other business firms

[Dr. Ziauddin Ahmad.]

are doing their work, and leave the actual administration in the hands of paid managers. In this case it will be necessary to have only a central office for the Agents, but that is not the subject before us at the moment. I am only mentioning it as an illustration as to how it will be feasible; instead of having many Agents for different railways, let them have only one central agency for all the railways and adopt their divisional organizations; I think, the time has come when we should consider seriously the reorganization of the Railway Board—the dismissal of low paid Indians is not the solution of the difficulty—and unless we refuse the grant altogether the Government are not likely to move in this matter.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I had no intention to intervene in this debate, but when my Honourable friend the Mover of this motion suggested that the Railway Board should be done away with altogether, I saw there was laughter from the Treasury Benches, and that has made me stand up and say a few words in support of this motion which should be considered very seriously. The Budget that has been presented tells a sad tale. It shows us that, after all the care and trouble the Honourable the Railway Member has taken to bring out the Budget, there is a clear deficit of 9½ crores, and therefore the matter cannot be treated with contempt as it is intended to be done from the other side. Sir, the reorganization of the Railway Board is a great necessity. We find that when matters are left in the hands of one Member assisted by some experienced and capable Secretaries, things are better done; but if they are left in the hands of many, they spoil them, because generally too many cooks spoil the broth. Therefore, Sir, I think that it is high time that the Railway Board was reorganized in such a way that certain posts, which are now kept in abeyance in the name of retrenchment, should be entirely done away with. Then again the question of the pay of the higher officers and the curtailment of their number has also to be considered very seriously. The present tendency is to abolish only the posts of subordinates and low-paid people. This creates discontent amongst them, and I submit that it is these subordinate officials who form the very backbone of the administration; it is the subordinate officials who prepare everything for the signature of the higher officials. In some cases we know that some of the higher officers merely sign the papers submitted to them by the subordinate officials. Therefore, these subordinate officials should be kept in good temper as they are a very useful body of public servants.

A word more I will say, Sir, with regard to collaboration of the motor service with the railways. Yesterday this matter was brought up first by our Deputy President. He pointed out that this motor service was doing great harm to the railways, but I think, Sir, it is a sound and wholesome principle to have healthy competition. If there is no competition, then the public suffer. What is the position now? The railways go on increasing from time to time rates and fares; in some places I find that they even forge the mileage. Take for instance mileage from one station to another; if the distance is only say 8 miles, their tariff shows 16 miles or even 18 and they charge fares on the latter mileage. In like manner it is left to the sweet will of the railway authorities alone to put up the rates and fares in any manner they like. Therefore, if there is competition, their eyes will be opened to the exact situation and they will try and improve the amenities of the travelling public. Now, the motor service

people are plying their service at cheaper rates, and naturally there is a cry from the railway side. Why should not the railways also curtail their rates and fares? Therefore, Sir, in order to keep the Railway Board under proper check and to make them realise the exact position, I think there should be healthy competition, and that competition should not be interfered with. These are my humble submissions, Sir.

Mr. M. Maswood Ahmad: Sir, I oppose the motion moved by my friend Mr. Bhuput Sing. There must be a central body to control the different railways in India. If the whole amount is rejected as suggested by the Honourable the Mover, how can the Railway Board be reorganized at all, I for one cannot understand.

Another suggestion made by my friend was that the Members of the Board should be honorary. I say that if we are to have Honorary Members for the Railway Board, it will be very difficult to get honorary clerks also. (Laughter.) (*An Honourable Member*: "You will have to pay them some bribes.") Sir, I think by rejecting the whole amount and allowing them only one rupee, it will mean the complete abolition of the Railway Board, in which case it will be very difficult to run the whole system. The Railway Board has retrenched its expenditure to a very great extent, if the one member remaining will also be retrenched, who will stand and make promises on the floor of the House. (Laughter.) With these words, Sir, I oppose the motion moved by my Honourable friend.

The Honourable Sir George Rainy: Sir, I have listened with great interest to what has fallen from my Honourable friend who has just spoken on this motion, but I confess that the grounds adduced by him for the practical omission of the Demand for the Railway Board are hardly adequate for such a very drastic step. I should like to take first one small point made by my friend Mr. Bhuput Sing. One of the grounds he gave as to why there should be no money for the Railway Board, and I presume, therefore, no Railway Board, was this. He said that I had pointed out that there was a strong tendency to travel one class lower; that being so he asked, why had we not made provision for the increased numbers in the third class. I imagine he supposed there was great accumulation there. But I regret to say that the tendency to which I referred is not merely that people travel one class lower, but a lot of people now do not travel at all. The actual figures for the numbers of passengers carried are—in 1929-30 606 millions, and in 1930-31 550 millions. I think that illustrates what I meant, for in truth we are carrying a much smaller number of third class passengers. My friend also referred to the competition of the motor buses. I should have hoped that the Railway Administration were entitled rather to sympathy in the matter than condemnation. It is not we who run the motor buses in competition with ourselves.

Then he referred to what he thought would be a better arrangement, namely, that in place of the Board the Department should be administered by a single Member of the Government. I do not know whether he intended any personal allusion in these words, because at present I believe I am the only "single" Member of Government, and I do not know whether it was his desire that I should always be the Railway Member. If so, I am grateful for the compliment, but I am afraid I cannot accept it as deserved.

[Sir George Rainy.]

Sir, my Honourable friend Dr. Ziauddin Ahmad raised some broader issues,—and made it evident that he was not satisfied with the way in which the railways were being administered. On various occasions in this House he had brought forward criticisms of our policy, and I understand his attitude. But when he said that he had never been able to obtain an answer to his question whether the Railway Board were responsible for the efficient management of the railways, I am rather surprised, because quite clearly the Railway Board are responsible to the Government of India for the efficient management of the railways, as the Government of India are responsible to the Secretary of State. There can be no question as to that responsibility, and I am at a loss to know what exactly my Honourable friend's difficulty is.

Dr. Ziauddin Ahmad: On a point of personal explanation, Sir. Whenever this question was raised in the Assembly, the Government always replied that the Agents were responsible and not the Railway Board.

The Honourable Sir George Rainy: For the general direction of policy Government are undoubtedly responsible, and it is Government that must be called to account in the Assembly. There can be no question about that. Then he raised the question of the construction of new lines which were not paying an adequate return on the capital invested and had not fulfilled the anticipations which were formed at the time they were sanctioned. Apart from particular cases which were alluded to yesterday, there are general points that I want to make. The first is that of the lines the construction of which was sanctioned within the last ten years, very few have yet been open for five years, and as the estimates of probable traffic returns are supposed to be on the basis of what they earn five or seven years after they are opened, they have not yet reached a stage when a final judgment can be passed. But, apart from that, the economic conditions today being what they are, I should be very much surprised if any single railway was giving the return which might reasonably have been expected with the conditions existing five or even three years ago. As things are today, it is impossible that any of our lines should earn what we should have regarded as a normal return not so very long ago.

Dr. Ziauddin Ahmad: I have got before me in Appendix F of the Report details of all these railways that have been constructed, and I notice that there is not a single line which is paying the income anticipated though many of them are in full working order, and the aggregate yield is 1 per cent.

The Honourable Sir George Rainy: The Honourable Member is merely repeating what he has already said. I was pointing out to him that in the economic conditions now prevailing it would be a very extraordinary thing if they were earning the return expected at the time they were sanctioned.

Dr. Ziauddin Ahmad: But what is the limit?

The Honourable Sir George Rainy: I cannot see what my Honourable friend gains by merely repeating his accusation. He has already said that and we all understand him.

Dr. Ziauddin Ahmad: May I just remind the Honourable Member? There is, after all, some limit to this depreciation, because the earning is 1 per cent. against the borrowing interest of 5·7 per cent. Can this be a limit which you can swallow?

The Honourable Sir George Rainy: I must say I do not see what my Honourable friend gains by merely repeating what the House has quite clearly understood to be his point.

(At this stage Dr. Ziauddin Ahmad again rose in his seat.)

I am afraid I cannot give way any further on this particular point to my Honourable friend.

Now, the general question raised as regards the alleged inefficiency of the Railway Board was this, how can they be efficient when there is such a large deficit? If that is to be the test, then I am afraid there is not a single efficient railway administration in the world today; and if there is, I do not know which it is. Let me here give a few examples. Let us take, first of all, the British railways. The receipts fell from 183 million pounds in 1929 by 10 millions in 1930 and another 15 millions in 1931, and if one reads the newspapers as regards the dividends paid by these railways, it would appear that they are very far from being financially successful at the moment. As regards Canadian railways, their gross receipts are down by 80 million dollars in 1930, while their operating expenses fell by only 52 million dollars. The same applies to the Australian railways. The deficit in the French State railways for the last year was announced to be 15 million pounds, and since that announcement the receipts have steadily fallen, and so on, through this list. It is not an isolated case of the Indian railways; it is a universal condition applying to railways all over the world.

Then, Sir, there is one small point raised by my Honourable friend Mr. Lalchand Navalrai. He said that the subordinates were the backbone of the railways, and I have not a word to say against that; as a matter of fact, I have testified again and again in this House to the respect in which I hold our railway subordinates, but I would submit that because the backbone is very important that is not a good reason for refusing supply to the brain.

Dr. Ziauddin Ahmad: As the Honourable Member has not replied to my question . . .

Mr. President: (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member cannot keep on interrupting in the way he is doing.

Mr. Bhuput Sing: The point is that the Railway Board is not carrying on the administration efficiently. So, what is the necessity of keeping up an establishment when it could be done by one Member . . . .

The Honourable Sir George Rainy: On a point of order, Sir. Is the Honourable Member entitled to reply on the amendment?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): It is not an amendment; it is a cut motion. The Chair held last year that in the case of Budget cut motions the Mover is entitled to reply.

Mr Bhaput Sing: If the Member in charge of the Railways has got only one portfolio, I think he can manage the railway administration better than by having a Railway Board with so many Directors, Deputy Directors and Assistant Directors. I therefore think that the Railway Board should be abolished. Sir, I commend my motion to the acceptance of the House.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The question which I have to put is:

"That the Demand under the head 'Railway Board' be reduced to Re. 1."

The motion was negatived.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The next motion* stands in the name of Lieut.-Colonel Sir Henry Gidney (No. 11). If he wishes to move it, he will have to restrict his observations to showing how he proposes to reduce the amount of the grant for the purpose of economy to the extent of Rs. 50,000.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, before I move this motion, I would apologise to you for not being here at the beginning of your remarks when you gave your ruling, but if you will permit me, I propose to move my motion not merely as a censure on Government but to move it as a distinct cut in the grant demanded by the Railway Board to the extent of Rs. 50,000 and for a specific purpose—that is; that in my opinion the Railway Board has not properly controlled the carrying out of its retrenchment policy.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member says he was not present on the occasion when the Chair gave its ruling in the morning. The Chair wishes to remind the Honourable Member that not so very long ago the Honourable Member had given notice of a similar cut motion of a lakh of rupees and there was a distinct ruling from my predecessor in office in regard to that cut motion. The ruling I gave to-day is practically on the same lines as was then given. The Honourable Member will be perfectly entitled to move his motion for the purpose of effecting economy to the extent of Rs. 50,000 and will be quite free to show how he proposes to do so.

12 NOON.

Lieut.-Colonel Sir Henry Gidney: I thank you, Sir, for that explanation, but, notwithstanding that, Sir, I desire, with your permission, to move my motion because my desire is to show that retrenchment on Railways has been so incorrectly carried out that the work of the Railway Board could have been carried out just as efficiently with an expenditure of Rs. 50,000 less than its demand.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair has repeatedly pointed out that the Honourable Member will be perfectly in order in moving his cut motion if the speech which he makes in support will be for the purpose of effecting economy to the extent of Rs. 50,000.

Lieut.-Colonel Sir Henry Gidney: Do I understand that Honourable Members are prevented from moving cuts which would seriously affect the working of the Railway Department simply because the question of a

*"That the Demand under the head 'Railway Board' be reduced by Rs. 50,000 (Retrenchment policy and recruitment of minorities)."

policy is to be made the difference between a censure motion and a substantial cut motion. Otherwise we have no right to move a motion except a small cut of a rupee or Rs. 100. If you want to show that the railways are not functioning properly . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair expects that every Honourable Member will be present in his seat when the Assembly meets. If the Honourable Member had been present here, he would have followed the ruling which the Chair gave in great detail, in order that there may be no misapprehension on the subject. The Chair has now to call upon the Honourable Member to move this motion, for the purpose of effecting economy, but not with the object of moving a vote of censure. The Honourable Member will have ample opportunity of dealing with censure motions on the numerous token cuts which appear on the Order Paper.

Lieut.-Colonel Sir Henry Gidney: I am sorry, Sir, that you found it necessary to make such remarks on my not being present here this morning. I cannot possibly be present in two places at the same time. I had been to the Air Force meeting this morning and have just left it.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. The Honourable Member has been called upon to move his motion as an economy cut. If he wishes to move it, he is welcome to do so. If he is not, the Chair will pass on to the next item on the Order Paper. Does the Honourable Member wish to move it?

Lieut.-Colonel Sir Henry Gidney: Sir, I am not moving this cut under those conditions and premises. I will speak on a later occasion.

Representation of Muslims in the Railway Services.

Mr. M. Maswood Ahmad: Sir, I beg to move that the Demand under the head 'Railway Board' be reduced by Rs. 100, to discuss Muslim representation in railway service. Before I discuss that point I want to say two or three lines about my Honourable friend Sir George Rainy. I should like to say that we are very sorry to know that this is the last Budget presented by my Honourable friend Sir George Rainy. I very much regret that a man with such a brilliant career is leaving us very soon, a man with great administrative ability and capacity, fair dealing and a smiling face. We shall miss his personality and tremendous power of explanation when he leaves us. Although he will be thousands of miles away, I can assure him that he will be never absent from our minds and we all wish him a long and happy life in his mother country. (Loud Applause.)

Now, Mr. President, the question of the paucity of Muslims in the railway services is brought year after year to the notice of the Government at the time of the Budget debates in the Assembly. Not only in the Budget debates, but by means of questions, private letters to the Railway Board and deputations also, and every effort is made by the Muslim Members of this House to impress upon the Government the injustice which is being done to them in not securing their proper representation in the railway services. But with what result? The result will be apparent from the figures which I shall place before the House later during the course of my speech. I do not know, Sir, why our entreaties, our questions, our speeches and deputations do not help us to secure our due

[Mr. M. Maswood Ahmad.]

representation in the railway services. The only answer that I can think of is that Government know that Muslims are a band of loyal persons and Government also know that they do not require anything except promises to secure their support and therefore there is no necessity of doing anything for the Muslims.

Mr. President, there is no doubt that the Government have been prompt in making promises, and we apprehend that even now our Honourable friend Mr. Hayman will rise up and add one more assurance to the long list of those assurances which his colleagues and subordinates have never thought fit to carry out. Personally I do not think that this policy of making promises which cannot be fulfilled is likely to pay in the long run, because the evil seeds of distrust which are being germinated in the minds of the young Muslims of this country are likely to prove very fatal and embarrassing to the Government. Now, let us see what Mr. Hayman said on this subject last year and how far he was able to give effect to what he promised. This is what he said:

"Every one of the Muslim Members who has spoken on the subject is dissatisfied with the present position. I am even dissatisfied and I am dissatisfied because the figures show that in the superior services and in the upper subordinate services the Muslims are very inadequately represented; and I think, Sir, it is the duty of Government to see that the declared policy is given effect to and it is the duty of the Railway Board to see that nothing is omitted to be done to give Muslims proper and adequate representation in consonance with the declared policy."

In spite of the dissatisfaction of Mr. Hayman, there has been no progress towards the increase of Muslim representation in the railway services. If the Railway Board are unable to give effect to their "declared policy" I shall ask them to leave their seats in a body to make room for others who will be able to control the situation better. (Applause.) At another place Mr. Hayman said:

"We will do this because we are anxious to see that the omissions of the past are not repeated and that Muslim interests receive adequate representation."

Mr. President, although he admits that there has been omission in the past, still he and his colleagues are not doing justice to the Muslims. He said at another place:

"I am also anxious to see that senior subordinates who are Muslims are put in as Head Clerks and Superintendents of offices when qualified and senior enough."

May I know what steps he took to give effect to this promise which was so generously held out with regard to this particular subject last year?

Mr. President, in my mind there are only two reasons for this sorry state of affairs. Firstly, either the Government are afraid of doing justice to the Mussalmans, or secondly the situation is so cumbrous and complicated that, in spite of their very best wishes and desires, they cannot give effect to the promises which are being made from time to time. (Hear, hear.)

Before proceeding with the figures, I will quote a sentence more from Mr. Hayman's speech. He said:

"But I give my solemn undertaking that I have this (Muslim representation) question at heart and I will push it forward with all the energy that I can command. I will be the 'driving force' in this question and I shall get the Agents of Railways to take my view and to rectify the existing defects."

I now proceed to show what the driving force of my Honourable friend represents to the material world. The annual Railway Report published for the year 1929-30 showed that the total number of Muslim employees on all Indian Railways and in the office of the Railway Board and other offices subordinate thereto on the 31st March, 1930, was 182,349 Muslims out of 817,788 total staff, *i.e.*, 22·17 per cent. and on the 31st March, 1931, 172,321 Muslims out of 781,130 grand total staff, *i.e.*, 22·06 per cent. I ask the Railway Board, Sir, to peruse the comparative statement at page 48 of Vol. I, of Railway Board's Report for the year 1930-31 and see for themselves that for all the "driving force" of my Honourable friend, Mr. Hayman, the result is that the Muslim percentage during the period of one year decreased by ·11 per cent. Am I not correct? This is the improvement that has been made in Muslim representation on the railways.

Mr. President, those figures contain menials as well and let us now examine the figures for higher ranks and see the result of the solemn undertaking given by Mr. Hayman last year to do his level best for advancing the cause of the Muslims. I hope my Honourable friend, Bhai Parma Nand also will kindly note it. (Hear, hear.) On the State Railways, Sir, in 1929, the total number of gazetted officers was 1,309, and out of these 56 were Muslims, *vide* page 58, Volume I, of the Railway Board Report for 1929-30. In 1930, out of 1,258, the number of Muslims was 55, and in 1931, out of 1,218, the Muslims were 59 only *vide* page 55, Volume I, of the Railway Board Report for 1930-31. On Company-managed Railways, in the corresponding gazetted rank in 1929 out of 871, the total number of Moslem employees was 17 only, *vide* page 58, Volume I of the Railway Board Report for 1929-30.

Bhai Parma Nand (Ambala Division. Non-Muhammadan): How many were Anglo-Indians?

Mr. M. Maswood Ahmad: You may find out yourself from the Report on the same pages. My time is very limited. (Laughter.) In 1930, out of 876, the Muslims were 16 only, and in 1931, out of 859, the Muslims were 21 only, *vide* page 55, Volume I, of the Railway Board Report for 1930-31.

Taking the figures of both the State and Company-managed railways, *vide* pages 58 and 55 of Volume I of the Railway Board Report for 1929-30 and 1930-31, we find that in 1929 the percentage of Muslims was 3·35 per cent. and in 1931, that is two years after, it was 3·85 per cent. In other words a rise of ·5 per cent. in two years. In the subordinate service among employees drawing Rs. 250 and above, the figures were as follows:

State Railways.—In 1929, out of 6,219, 312 only were Muslims (*vide* page 59, Volume I, Railway Report 1929-30); in 1930, out of 6,376, 322 only were Muslims and in 1931, out of 6,213, 324 only were Muslims (*vide* page 56, Volume I, Railway Report 1930-31).

On Company Railways, in 1929, out of 2,798, 56 only were Muslims (*vide* page 59, Volume I, Railway Report 1929-30); in 1930, out of 2,870, 67 only were Muslims and in 1931, out of 2,857, 67 only were Muslims (*vide* page 56, Volume I, Railway Board Report 1930-31).

[Mr. M. Maswood Ahmad.]

The percentage of Muslims in both the State and Company-managed railways taken together was 4·08 in 1929 and 4·31 in 1931 (*vide* pages 59 and 56, Volume I, Railway Reports 1929-30 and 1930-31). In other words a gain of ·23 per cent.

Sir, after clamouring for two years we could raise our percentage by ·50 in the gazetted ranks and by ·23 in the subordinate service. Let us now turn our attention to the fresh appointments that were made during the last three years and judge for ourselves how far we have been successful in our attempts to secure a larger proportion of appointments for the Mussalmans in the railway services.

On Class I Railways, the total number of appointments in gazetted ranks was 70 in 1928-29, out of which 4 were Muslims, in 1929-30, 5 were Muslims out of 48 vacancies actually filled (*vide* page 128, Volume I, Railway Report 1929-30), and in 1930-1931, out of 60, only 5 Muslims were appointed (*vide* page 114, Volume I, Railway Report 1930-31). Mr. President, you will be surprised to know that, in spite of so many promises, not a single Muslim was taken in the gazetted ranks on the Company-managed railways during the last three years. (Hear, hear.)

Taking the figures of all the ranks and of all the railways together, we find that the percentage of Muslims was 22·08 in 1929 and in 1931, it was 22·06, *i.e.*, in other words, our representation has gone down by ·02 per cent. in two years and by ·11 per cent. in one year.

Sir, the figures I have quoted above are of the period before retrenchment. After retrenchment, our percentage has still gone down. On the North Western Railway in the subordinate establishment our percentage after retrenchment went down by ·25 and on the East Indian Railway it went down by ·15 (*vide* Railway Board letter No. 3966-E., dated 2nd November, 1931). I shall deal with this question later when the retrenchment question will come up. I have given notice of a cut for discussing that aspect separately.

Sir, in spite of so many promises, I am really surprised to find that the figures I have quoted above have been allowed to continue and stay. It seems quite strange that in spite of so many assurances on the floor of this House and outside by responsible officials of the Government, things do not seem to change at all, and in certain directions they are certainly showing a diminishing return.

Mr. President, the House will realize now that we have got just cause for wonder as to when this snail's pace of progress—and in fact there has been a gradual decrease at certain places—the goal will be reached. I think at this speed it will take centuries for the Muslims to get their proper share in the railway services.

Before I proceed further, Mr. President, let me allude to a very important question that arises in this connection. The Muslims claim a majority on the North Western Railway and the Eastern Bengal Railway in the matter of their representation. Their reason is that in the provinces served by these railways their population forms a majority. Sir, when I touch this point that the Muslims on the aforesaid railways should be treated as a majority community and should be given majority rights, *viz.*, two-thirds of the total employments, I do not strike a new note.

Very recently our Honourable friend, Bhai Parma Nand, has in question No. 463 (*e*) asked the Government:

"Do Government propose to fix some percentage for the Hindus on the North-Western Railway where they are in a minority?"

It will thus be seen, Sir, that the great leader of the Hindu Mahasabha, namely, Bhai Parma Nand, agrees with me when I say that the Hindus on the North Western Railway should be treated as a minority community.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Both are equally bad.

Mr. M. Maswood Ahmad: 63·35 per cent. of Muslim population in tracts served by the North Western Railway and about the same percentage of Muslim population in the tracts served by the Eastern Bengal Railway are only recommended for 50 and 40 per cent. of the total employments on the aforesaid railways by the Special Officer of the Railway Board. It leads to a clear conclusion that the Hindus seem to be satisfied by their being treated, and that legitimately too, as a minority community, but the Government are anxious to give them the majority rights on those railways! A question arises, why should the Government be anxious to do so? The conclusion arises therefrom that it is because the Government have no genuine desire to improve the Muslim representation. Sir, Moslem India therefore cannot be satisfied with Mr. Hassan's Report. It gives Muslims much less than their due share. Sir, the Nehru Report was drowned in the river Ravi, and the low percentage recommended by Mr. Hassan will be drowned in the Jumna—the nearest river to the Railway Board. (Laughter.) Even this 50 per cent. on North Western Railway I believe will become 35 per cent. on the table of the staff member. Sir, Muslims cannot be satisfied without getting their due share, which should be fixed on our population basis at least on all the State-managed railways. We cannot accept even a ·01 per cent. less than our population basis. This is a question of loaves and fishes and every community must get its due share. My Honourable friend, Bhai Parma Nand, wanted to know whether we want our representation on provincial lines. I say I want Muslim representation on a population basis of the area through which a particular railway runs. I want our due share on a population basis on State-managed railways. I am sure on Company-managed railways I cannot get even 10 per cent. of the higher services for the coming 100 years.

I do not want weightage in any railways, but I will be satisfied with a population basis. Sir, the Special Officer in preparing the Report was handicapped. According to my information he was never regarded as an officer of the Railway Board by the subordinate Divisional Superintendents and Agents. Every sort of obstacle was put in his way. Information was withheld in an unscrupulous manner. A remarkable instance of this is a letter issued by the Agent, North Western Railway, to the different Divisional Superintendents. Sir, it reads as follows:

"It is hereby emphasised in future that no other information is to be supplied or steps taken to compile the same on direct communication from Mr. K. M. Hassan, Officer on Special Duty, unless it has the approval of the Office."

I do not know, Sir, if Mr. Hassan, Officer on Special Duty, is himself aware of these instructions.

[Mr. M. Maswood Ahmad.]

Although Mr. Hassan's Report falls short of our demands, still it contains much valuable information and proves that injustice has been done to the Muslims in the past and present and there is no chance of justice even in future, if the same system exists. I would like to pay a tribute to Mr. Hassan for his industry and the hard work that he brought to bear upon the enquiry himself.

The North Western Railway passes through the provinces where the population of Muslims is about 70 per cent. and the Eastern Bengal Railway runs through Eastern Bengal where also the Muslim population is nearly in the same percentage. In spite of this, our representation in the railway higher services is insignificant. If we go through Mr. Hassan's Report, pages 48 to 68, it will be quite clear that the percentage of Muslim representation in the higher services is very very low.

Now I will deal with higher posts on different railways, excluding the Accounts Branch, Sir. In the Eastern Bengal Railway, in the subordinate staff the Muslim representation is 14·09 per cent. and in clerical office staff Muslims are 4·47 per cent. and on posts of rupees 150 or more in the same branch Muslims are ·88 per cent. In other branches, Sir, in the Locomotive Department the Muslims form 44·28, but in the post of 150 or above Muslims are nil. In the Traffic Department (transportation) the percentage is 9·08 and in posts of 150 or above ·95 per cent. In the traffic commercial department Muslim percentage is 19·13 and all on lower service. In the loco. carriage department 13·59 per cent. and on salary of 150 or above is ·26 per cent. In locomotive workshop 1·08 per cent. In the Civil Engineering 7·87 per cent. while on posts of 150 or above 4·26 per cent. In the stores department 3·85 per cent., on higher post, nil. In medical department 18·12 while on higher post 7·69 per cent. only. I do not want to take up the time of the House in quoting from this book any further because the report is in the hands of all the Members of the House. I agree with my Honourable friend Bhai Parma Nand that Railway is a commercial branch, but I will add that it should not be the monopoly of one community because it is injurious for commercial branch. The condition in the Accounts Branch is also very unsatisfactory, rather worse than other departments. The great fun is, that in Dinapore Division of the East Indian Railway, in the accounts branch there is not a single permanent Muslim clerk. While Abdul Khalique, a graduate, is serving with matrics as a temporary clerk only, he is not given sufficient chance to show his ability. The condition of the Railway Clearing Accounts Office is also very unsatisfactory and Rai Bahadur Faqir Chand retrenched 33 per cent. Muslims from that office while at the time of appointment other communities were also included by him in this percentage of 33. I do apprehend that the Honourable the Railway Member will be prompt in making another assurance or declaration that some new committee or commission or some Advisory Committee is under contemplation of the Railway Board to examine the question in detail. But the committees and commissions we have had enough of, and it is now time that Government should sincerely and earnestly apply themselves to the question and see that their promises no more form a stock of scoundrel for the public. The prestige of the Government in this respect has gone very low and any more delay would make their position still more awkward.

Here I want to say one word about the question of efficiency. In this connection three issues arise. Firstly whether qualified Muslims are or were available in sufficient numbers or not. Secondly, whether Muslims have got the chance to qualify themselves and to show their ability and efficiency or not and thirdly when Muslims got the chance to qualify, what was the result. In this connection on the first issue I will quote from Mr. B. T. Singh's note. He carries on investigation on the Great Indian Peninsula Railway and he says that the D. S. stated that he would have no difficulty in securing Muslim candidates from these parts. About the North Western Railway, another Special Officer says at page 40 of Mr. Hassan's Report that:

"Information germane to this point was available only in the Lahore Division a no other Division has maintained the necessary records. In this Division alon 712 and 743 educationally qualified Muslims applied for the advertised posts in 1928-2 and 1929-30 respectively. There are roughly 20,000 subordinate posts on the N. W Ry. and assuming a normal wastage of 4 per cent. the total number of vacancies tha are likely to occur during the course of a year will be 800. "Now even if 5 per cent."—(I do not agree with him on 50 per cent. I want 63 per cent., Sir.)—"o these had been given to Muslims. 400 qualified Muslims would have filled them. Afte making the fullest possible allowance for all the factors that may lead to rejection it will be seen that one Division of the N. W. R. could produce sufficient qualifie Muslim candidates to fill all the vacancies that might have been given to them o the whole of the N. W. R."

Further he says on page 41:

"The argument of the dearth of qualified Muslims becomes untenable."

Now, as regards the second issue, I will say that the Muslims did not get a sufficient chance to show their ability and that no active steps were taken to increase the Muslim representation. According to Mr. B. T. Singh's note (*vide* page 42 of Mr. Hassan's Report), the D. S. stated that no active steps had been taken to increase the representation of minority communities in the subordinate services under his control. The Chief Personal Officer's note on page 45 of Mr. Hassan's report shows "No special facilities have been given to Muslims . . . ." Special Officer in paragraph 165 says "My enquiries on other Railways show that no special facilities have been afforded to Muslims". Now, the third issue comes whether when Muslims get a chance, they qualify themselves or not:

"The figures of the Walton Training School speak for themselves. Out of al the Muslim students sent by the 7 Divisions of the North Western Railway for train ing during the period 1927—30 as many as 84 per cent., passed. These results ar at once a tribute to the efficiency of the school and a credit to the students concerned and at the same time constitute a convincing proof of the fact that Muslims have no failed to utilize the opportunities that have been offered to them."

In conclusion I will make the following suggestions. The first suggestion is that a definite percentage on a population basis, i.e., 39 per cent., should be fixed for Muslims on all the State-managed railways and on the Railway Board jointly. On the North Western Railway, 63 per cent., on East Indian Railway 40 per cent., on Eastern Bengal Railway 50 per cent., on Great Indian Peninsula Railway 10 per cent., and on the Railway Board 25 per cent., total 39 per cent.

The second suggestion is that minimum qualifications should be fixed for all posts lower and intermediate so that the question of efficiency may not come in the way.

[Mr. M. Maswood Ahmad.]

My third suggestion is that Muslims should be appointed on intermediate posts also in the same percentage mentioned above, in the first suggestion. I hope, the Honourable Sir George Rainy will leave behind as the crowning act of his eventful administration, a circular, the Rainy Circular, which will be the Magna Charta of Muslim rights in railway services so that he may be remembered in the years to come as the honest and conscientious Englishman who tried to do justice to the Muslims. (Applause.)

Mr. President: Cut motion moved:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100 (Representation of Muslims in the Railway services)."

Lieut.-Colonel Sir Henry Gidney: Sir, I rise to support this motion and my chief reason for doing so is this volume that I hold in my hand, Mr. Hassan's Report. I hold no brief for the Mover of the amendment, nor do I claim to possess any brief for the Railway Board. I desire to take a dispassionate view on this motion, and in doing so, I am actuated by certain principles which I think should control all institutions, especially one of such magnitude as the Railway Board, *i.e.*, justice to all communities. I am sorry, I cannot agree with the Honourable the Mover of this motion when he places the blame for the paucity of Muslim employees on Railways on the shoulders of the Railway Board, though it is not altogether blameless. With this preface, Sir, that I hold no brief for the Mover I will now try to explain my reasons for supporting his motion. There is ample evidence in Mr. Hassan's admirable Report to prove that the Railway Board has issued frequent instructions to the Agents of the various Railways and pointed out the measures which they should adopt in the recruitment of all communities including the Muslims. And there is also ample evidence, in this Report—in fact there is more than ample evidence,—to show, on Mr. Hassan's own admission, that the Railway administrations have not carried out the orders of the Railway Board. With your permission, Sir, I will now briefly refer to one or two parts of this Report. On page 46, in paragraph 157 he says:

"Detailed instructions were issued more than once to all the Railway administrations and when it was found that they had not produced the desired result the matter formed the subject of special discussion with the Agents and heads of departments ..... But in spite of all these measures it was evident that so far as the Muslims were concerned the policy of Government had not been fully carried out."

Here, Sir, is a serious indictment against the administration of Railways made by an officer specially deputed by the Railway Board. And I therefore lay the primary cause of this paucity of Muslim representation on Railways at the door of the Railway Agents. I go further and support this indictment by another statement made by Mr. Hassan on page 85 of his Report. This is what he says in paragraph 267:

"Experience has shown that the instructions of Government regarding the representation of minority communities have not in the past been given proper attention, and I am convinced from what I have seen and heard during the last ten months that unless there is an effective machinery to assist and advise the Railway administrations in carrying out the orders that the Railway Board may pass on this report there is not much likelihood of their being translated into action."

Now, Sir, here is the cause and here is the effect. But what actually is the present position? The present position is more than amply shown

in the figures that are to be found in almost every page of Mr. Hassan's Report. The Mover of this motion has placed before the House the inadequate position which Muslims occupy in Railway employment. Sir, it was in the year 1927 I think that I had the pleasure,—in fact I look back upon it with great pride and pleasure,—of drawing the attention of my Muslim brothers to their inadequacy in railway employment and I believe I am correct in saying that it was since then that they have interested themselves in demanding adequate representation on Railways. And, I am delighted to see the interest that is evinced today in this House. Sir, it is a necessary interest; indeed the demand made by this motion is absolutely essential. One has to scan the figures in this Report to realise the unfair way in which Muslims have been recruited in the past and are recruited even in the present. I shall not weary the House with any figures because the House I assume is familiar with them. But the clinching proof lies in page 78 which is solely devoted to Muslim representation on Railways. It is stated that though Muslims form over 26 per cent. of the whole Indian population, their total employment on Railways is 17 per cent. It is stated also that in certain parts of the north of India—Punjab—and Sind where Muslims predominate and constitute 71 per cent. of the population they form only 7 per cent. of the total employees on the Railways. If these figures are of any value as evidence they disclose how grossly inadequate is Muslim representation on Railways. This disparity of communal representation is accentuated when one examines the figures of the Railway Accounts Department. Here we find on page 91 that out of 5,858 appointments, 4,882, *i.e.*, 83·33 per cent. go to Hindus. Examine the various Railways and you will find, as I stated in my speech yesterday, that in the East Indian Railway 92 per cent. of the posts in the Accounts Department go to Hindus, on the Eastern Bengal Railway 93 per cent. are held by Hindus, and the same sorry tale of Hindu monopolisation is repeated *ad nauseam* on the other Railways. It is not surprising, Sir, that a spirit of revolt and resentment has entered into the hearts of the Muslims and they are up and doing, for it is time they did so. I do not think the blame lies primarily at the foot of the Railway Board, because I can tell the House that I have repeatedly heard in my travels in India Railway officials complaining of the unnecessary interference of the Railway Board in their desire to enlist Muslims in adequate numbers on Railways. This alone is evidence that the Railway Board is anxious to help enlisting of Muslims on the Railways. That they are not enlisted is entirely the fault of the Railway administrations; and it is for that reason that in moving my cut yesterday of Rs. 50,000 I had in mind to cut the salary of one Member of the Railway Board.

In showing to this House the paucity of Muslims in the Accounts Department, it may interest those who have not taken the trouble to read Mr. Hassan's Report to note that of the higher Railway Accounts posts, the number of men who were given a higher initial pay is 37, and the whole of this 37 were Hindus. It will thus be seen that 94·41 per cent. goes to non-Muslims and the Madrasis secure 46 per cent. of it. I do not blame them for this preponderance because they show a distinct communal aptitude for figures and accounts; but if what Mr. Hassan has stated in this volume that there are a sufficient number of educated and qualified Muslims available for all Railway jobs, I see no reason why Railway Administrations should not be made to carry out Railway Board orders. And if the Railway Board find Railway Administrations disobeying

[Lieut.-Colonel Sir Henry Gidney.]

their orders the offending officials should be sacked straightaway. It is ridiculous for the Railway Board to tell us that they control Railway Administrations when the Agents of Railways can chuck their orders into the waste-paper basket. And to show you that these orders are not carried out I will give you just one or two quotations from the opinions expressed by Railway officials who gave evidence before the Court of Inquiry. When asked about the interpretation of the word "efficiency" no two officers gave similar opinions. One man took it from the age point of view; another man took the total of censures on that man's record and divided it by the number of years of his service; another man had a special scheme of his own for assessing efficiency and inefficiency. And so there were many systems introduced in this matter of efficiency; no one man agreeing with the other as to what efficiency was and what inefficiency was. And with all respect to the Railway Board I do submit that it is in such matters that the practice of personal bias and favouritism comes into play more than this House realises. It is left to the option and the sweet whims and fancies of certain Railway officials to interpret efficiency by personal prejudice and bias. This has been brought to my notice so frequently . . . .

Bhai Parma Nand: Would you agree to the same principle of proportion of population being applied to the Anglo-Indian community?

Lieut.-Colonel Sir Henry Gidney: When that question comes up, I shall remind the Honourable gentleman of the fact that it was an Anglo-Indian, *i.e.*, myself, who was asked to represent the grievances last week of the Indian Travelling Ticket Examiners of the North Western Railway; so he need not ask me that question.

Bhai Parma Nand: That was common to everybody.

Lieut.-Colonel Sir Henry Gidney: I shall deal with that when the time comes with a very suitable answer which I hope will satisfy my Honourable friend.

Bhai Parma Nand: Why not deal with it now?

Lieut.-Colonel Sir Henry Gidney: I am not talking of Anglo-Indians now; I am talking of Muslims.

Bhai Parma Nand: I am talking of the principle.

Lieut.-Colonel Sir Henry Gidney: You can talk as much as you like. (Laughter.)

Mr. President: Order, order.

Lieut.-Colonel Sir Henry Gidney: By my support to this motion I do not wish to say that Muslims should be pampered and favoured, but they should not be denied adequate employment on Railways such as is the case today. I do submit with all respect to the Railway Board, especially to the Honourable the Member in charge of Railways—and I do not know of any officer who has a higher sense of justice than the retiring

Member, Sir George Rainy, because in many of the cases that I have brought to his notice he has personally inquired into them and I have seen myself the high sense of justice shown by him—I say the time has come when this system of monopoly of giving 90 per cent. of the appointments to one community, should stop; there can be no rest between the various communities if this monopolisation is allowed to continue. It must be stopped and Mr. Hassan has proposed a very effective way of dealing with it. I do not think it is always right to introduce the population ratio because there are certain appointments which demand a certain degree of education and others which do not; and in these latter cases the total population should be taken.

I wish to stress another point. The Mover of this motion struck a true note, and Mr. Hassan has struck a much truer note in his Report, when he advocates that Mussalmans should be recruited in larger numbers in the intermediary posts; because from my experience I have found that those Departments in which the head clerks and the Superintendents of Offices are Hindus, and particularly if those jobs are not advertised—Railway Administrations differ in their systems of recruitment a fact which Mr. Hassan has also brought out clearly in his Report the inevitable result is that these Head Clerks and Superintendents who are Hindus bring in their own relations and the result is that there is a preponderance of Hindus in such appointments. This is really the root cause of the whole thing; and I say with all respect to the Railway Board that it is up to them to see that that system of recruitment is absolutely stopped.

I ask again, why has not the Railway Board been able to obtain figures for the Company-managed Railways as regards communal percentages? I opine if those figures are obtained and added to the figures of the four State Railways in which there are 65,000 jobs, the totals will disclose such a state of affairs that the Mover of the Resolution will be able to show that there is still less employment of Muslims on Railways. As it is unjust to have a monopoly of one department by one community, so is it unjust to exclude a community who deserve well of the British Empire and of the Government as well as of the Railway Board as do the Muslim community.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, I may at the outset make it clear that I am not in any way opposed to the claims made by my sister community the Muslims for a due share in the administration of the Railway Department. But what surprised me most during the debate today and when I saw the notice of censure motion yesterday was this. One used to hear in times past of unholy alliances, better heard of in another continent of this globe, I mean Europe. We had a bit of it in the Round Table Conference towards its close. And now we have the gallant Knight, Sir Henry Gidney, trying to form with the Muslims an association more or less on the lines of a mutual admiration society . . .

An Honourable Member: The same as the Sikhs are trying to do with the Hindus.

Sirdar Harbans Singh Brar: I refute the suggestion on behalf of the Sikhs. The Hassan Report, which was copiuously read by the speakers before me, has brought out one glaring dereliction of duty on the part of the officer

[Sirdar Harbans Singh Brar.]

who wrote it, namely, that in spite of the fact that he was appointed to safeguard the interests of the minorities—all minorities and not only the Muhammadans—in page after page we see the word "Muslim" alone: I have marked at least one hundred times in 100 paragraphs the word "minority" is absolutely forgotten in dealing with the question of minorities: in this Report only Muslims are dealt with. I have read every word of it . . . .

Mr. Muhammad Anwar-ul-Azim: On a point of order, may I inquire . . . .

Sirdar Harbans Singh Brar: I refuse to give way.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): On a point of order the Honourable Member has to give way. What is the point of order?

Mr. Muhammad Anwar-ul-Azim: May I inquire whether this is not a joint report by Mr. Hassan and Mr. Singh? That is what I wanted to know.

Mr. President: That is not a point of order.

Sirdar Harbans Singh Brar: My friend interrupts me on a point of order to say that this is a joint report. There is no doubt a reference by Mr. Hassan to a couple of notes in his Report by one Mr. Singh. I am sure that that gentleman does not represent the Sikh community in this respect. He is not there as a Sikh: Hindus, Rajputs and Mahrattas and others have got "Singh" after their names. So that does not in any way mean that he was a party to this unholy alliance.

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): Turn to page 76.

Sirdar Harbans Singh Brar: I will come to that. If you cultivate an attitude of patient expectancy, you will find that everything comes in time. We have had it admitted by the Railway Department that in the lower grades, say under Rs. 30, most of the revenues of the department are absorbed: and we have also got it admitted that that chivalrous community, the Muslims, are in an overwhelming majority in those grades. So, out of the revenues, even before the communal representation has been introduced, they have been getting more than their ordinary share from the income of the railways.

As regards the intermediate grades where Sir Henry Gidney pointed out that Hindus have 92 per cent. I have got figures taken from the Report as regards intermediate grades getting Rs. 150 and over, and there I find the major portion . . . .

Lieut.-Colonel Sir Henry Gidney: On a point of personal explanation, Sir. I am sorry the Honourable Member has misunderstood me: I did not say that of the intermediate grade as a whole: I said in the Accounts Department they had 92 per cent.

Sirdar Harbans Singh Brar: Just as the Muslims, the Mahrattas and the Sikhs can claim a special position in the art of warfare, so the Hindus of Madras have by their sheer ability specialised themselves in accountancy, a department more technical than of mere ordinary common-sense. So those people have specialised in that branch and they only can properly discharge the duties of that particular branch. So rightly they have got more than on a population basis they would be entitled to. It is not their fault. So are we in the Army. Now more Muhammadans and Sikhs and other minorities are trying to take to mathematics. At the suggestion of Sir George Schuster I drafted a question yesterday inquiring how many minority representatives have got M. A.'s in mathematics in the different universities during the last ten years. And that will tell us what fair representation they could demand on the ground of efficiency in that particular branch.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): M.A. is not the minimum qualification required.

Sirdar Harbans Singh Brar: I have also drafted a question asking for the number or numbers of minority communities who have qualified themselves as Chartered Accountants and in more specialised accounts. Sir, I was talking about the intermediate grades of Rs. 150 and over. My friend Mr. Maswood Ahmad put forward a claim of 63 per cent. for his community on the North Western Railway. I find, Sir, that if on the North Western Railway 63 per cent. is given to Muslims, 19·8 per cent. to Anglo-Indians, 23·9 per cent. to Europeans; and then it comes to over a 100 per cent. for the three communities alone, what to say of Hindus, Sikhs and other minority communities? I find from the Hassan Report itself that on all the Railways the Anglo-Indians who are much less than 1 per cent. of the population, to be more accurate ·035 per cent., have got their percentage in the intermediate grades of Rs. 150 and over from 20 per cent. to over 40 per cent.; nowhere are they less than 20, and at many places they are over 40 per cent. It is not the Hindu who is the usurper of the fair share which the minority communities could demand, but it is that community which neither claims to be Indian nor European (Laughter) in dividing the bites from both that is getting a major share. Now that community which has got a percentage ranging from 20 to 40 per cent. Mr. Hassan considers should have reservation even in the future, not on merits but merely for the sake of establishing that alliance, so that they should back the claims of the Muslims in order that they may get all that they ask for themselves. They are trying to establish a principle which is far-reaching and dangerous because they are telling others, "All thine is mine and mine is of course mine"—that is what it really comes to. If the Anglo-Indians are to get what they are getting today, if Europeans are to be retained in the same proportion in which they are today, and if Muhammadans are to be given what they demand, then it will mean that Europeans and Anglo-Indians will have what they have, and all the rest will go to the Muslims, but what about the other communities? Sir, the Sikh community has rendered services to the Empire in no less degree than the community which my friend Sir Henry Gidney represents. The Sikhs have fought in all the battlefields in all the continents including the North West Frontier Province and Afghanistan and they have contributed no less but much more than their numbers could afford. In the Punjab

[Sirdar Harbans Singh Brar.]

where they are only 14 per cent. they are contributing about 40 per cent. to the land revenue and water rates, and in the war too they have not lagged behind in contributing their man power. They contributed one-eighth of the total recruiting in India where they are only 1 per cent. The same is the case in engineering, railways and telegraphs. Now that community is to be denied any safeguard of its rights by Mr. Hassan. This is what he says in his Report:

"Sikhs form nearly 1·23 per cent. of the population of India and it is obvious that any reservation in their favour will lead to the same practical difficulties as in the case of Parsis. They are, however, concentrated in certain portions served by the North Western Railway. In other parts of the country where they are to be found their population is so extremely small as to be almost negligible."

So he says:

"In view of this it does not appear to be necessary to fix any definite percentage for Sikhs either. All that is necessary is to instruct the Agent, North Western Railway, to review the position of Sikhs every three years in the subordinate cadre of the North Western Railway and see if any special action is called for when the exact nature of the action can be considered."

But as regards Anglo-Indians he says:

"All the arguments that I have advanced fixing a percentage for Parsis and Sikhs apply in the case of Anglo-Indians too, but it must not be forgotten that in view of the Indianisation now going on in all the Railway Departments and in all the different grades, it is certain that Anglo-Indians will not be able to maintain their present position very long."

Their present position is now over 40 per cent., and not 2 or 3 per cent. If from much less than one per cent. they have already got 40 per cent., it will take at least 40 years to worsen their position, and by that time I think that communal representation will cease to exist. Therefore, Mr. Hassan says this:

"In view of these facts it may be considered desirable to give the Anglo-Indians a higher percentage than their population ratio warrants. What should be the exact measure of protection and how it should be given will have to be very carefully considered" and so on.

But he says they must have protection.

So, Sir, I would suggest to my sister minority community, the Muslims, that it is not fair always to rub one arm, to always damn the Hindus, to always say that they have got the monopoly of power when facts and figures show that all the places which they want both in the intermediate and higher grades are not mostly occupied by the Hindus but by other communities. It should be their rightful claim to demand a fair share for their community in the services, but they cannot claim a preponderating share in the services. Now on the Great Indian Peninsula Railway in the intermediate grade the Hindus are only 21 per cent.; on the North Western Railway they are only 31 per cent.; on the East Indian Railway they are only 21 per cent. I am speaking of Rs. 150 per mensem and over grades alone. On the Eastern Bengal they are 45 per cent.; that is the only railway in which the percentage of Hindus may be slightly higher, and on all the State railways combined except Burma Railways the percentage of Anglo-Indians in grades of Rs. 150 and over per mensem is 32 per cent., which is higher than the percentage of any other community. On all the State railways combined, Hindus are only 26 per cent., Indian Christians 4, Muslims 4, Europeans 26·5 and Anglo-Indians 32·6 . . . .

Mr. M. Maswood Ahmad: May I know, Sir, from where the Honourable Member is quoting these figures?

Sirdar Harbans Singh Brar: I have taken these figures for all the grades on all railways from Rs. 150 and over.

Mr. M. Maswood Ahmad: From what page, what book?

Sirdar Harbans Singh Brar: I have collected these figures from Mr. Hassan's Report. I have myself calculated these figures. (*Mr. M. Maswood Ahmad*: "Will the Honourable Member see pages 48 to 96 of Mr. Hassan's Report?") Yesterday my Honourable friend Mr. Sykes asked, why should not the pay of the lowest paid men on the railways be reduced because agricultural labourers only get about Rs. 7 a month. But he forgets that an agricultural labourer, in addition to getting Rs. 7, gets food also. That is the custom among the agricultural population.

1 P.M.

Mr. E. F. Sykes (Bombay: European): On a point of personal explanation; when a figure such as Rs. 7 is mentioned, it is the total remuneration. When part of the wage is paid in kind, the cash portion of his wages is much less—probably not more than two or three annas.

Sirdar Harbans Singh Brar: The agricultural labourer gets food in addition to cash wages—in the rural areas the cash wages are not on a monthly basis; they are on a daily basis. Since the last two or three years the cash wages have been about 4 or 5 annas per day except during the harvest days when the man gets a little more. But on an average he gets about 5 annas a day, and in addition to that he gets food both morning and evening. So, it is not the labourer in the railway services whose wages should be reduced. It is the fat salaried official who gets 400 times the pay of a labourer, who should surrender a portion of his salary. It is all very well for these people to say, oh, the salaries of these poor Indians should be reduced. But I submit that it is the high paid official who gets many times more than he can fairly demand or can get in any other country but India, whose salaries deserve to be drastically reduced.

Sir, as regards Mr. Chetty's suggestion of yesterday, I do not want to enter into it now because we are talking about communal representation, and I will deal with it on some other cut.

As regards this cut of my Honourable friend Mr. Maswood Ahmad, for a fair share to their community, that is all right and should be supported, and I have no grievance personally against it—that they should get about 20 per cent. or whatever other percentage is decided upon, on the State railways. His community did not get a fair field for many years for their young men to be employed. It may partly be due to the education of these men, but I think for the last some years there have been a good number of Muslim young men available to be selected for appointment. It has not been possible for them to get any, partly due to less recruitment, and partly it may be due to lack of advertisement. So, I think we should join with them in claiming that they should get a fair share, but at the same time I maintain that no community should be badly treated, and Anglo-Indians should not have all to themselves. With these few remarks I support Mr. Maswood Ahmad's claim for representation of the Muslim community, equally expecting reciprocity in the case of Sikhs.

Mr. R. S. Sarma (Nominated Non-Official): Mr. President, I generally do not take part in these communal wrangles, but if I have chosen to waste a minute or two of the time of this House this morning, it is because I am anxious to offer a word of appeal especially to the Members of the European Group in this House, in regard to this particular matter. My Muhammadan friends from Bengal in this House and outside know very well that, whatever limited and humble opportunities I have had as a Member of this House and as the editor of a newspaper in Calcutta, I have employed those opportunities for advocating the just claims of the Muslims of our province . . . .

Mr. Amar Nath Dutt: May I know what is the name of that newspaper?

Mr. R. S. Sarma: That is the *Bengalee*. I have been often interrupted by my Honourable friend Mr. Amar Nath Dutt and told that I am a nominated Member and do not represent Bengal, and I throw out a challenge to him. I am willing to resign my nominated seat if my Honourable friend resigns his seat and I am willing to contest his seat in the election, and I bet that I shall defeat my friend by a thundering majority. Whenever the Government are attacked and the Hindus are attacked for not playing the game regarding the appointment of Muhammadans in larger numbers in the public services, our Muhammadan friends always find not strange but very familiar bedfellows in non-official Europeans in this House, and this morning our Honourable and gallant friend Sir Henry Gidney spoke as a champion of the Muslim community and said that there was not a single Muhammadan assistant in the higher accounts service of the railways. I want to ask one simple question, for every Member of the European Group here is a representative of a very big European mercantile house either in Calcutta or Bombay, and all of them are masters in their own offices, and I want to know what is the proportion of Hindus and Muhammadans which each of them appoints in his own office. Sir, if I can speak a little lightly, I myself put this question to a big European friend of mine last year as to the number of Muhammadans he had in his own office. He said he had one, and when I asked him why he had him, he said it was because he was the only man who could bring him beef sandwiches for his lunch. (Laughter.) Therefore, I say before they condemn the Government and condemn the Hindus, the Members of the European Group should, instead of paying lip service to this principle, give a lead to Government by employing more and more Muhammadans in mercantile offices.

The Assembly then adjourned for Lunch till Twenty Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes Past Two of the Clock, Mr. President in the Chair.

Mr. Amar Nath Dutt: There is a saying in Bengali, that when you have nothing to do, perform the Ganga Jatra ceremony of your uncle, *i.e.*, take your uncle to the Ganges and perform last rites. It appears to me that in this session having nothing to do, we are following the same method. We have not the Finance Bill, and not much legislation, this session.

My Honourable friends over there have taken that responsibility. Therefore we have nothing else to do but to perform the Ganga Jatra ceremony of the Railway Board. Many things have been said during the general discussion as well as today about the incompetence and irresponsibility of the Railway Board in not fulfilling the promises which have been so often made by the Honourable the Commerce Member and also the Members of the Railway Board. Frankly speaking, I am not convinced of the correctness of any such charge and the idle legislators, having nothing else to do, have been indulging in a communal wrangle which is a painful sight for the nationalists, Hindus and Muhammadans alike, I wonder why one of the communities, against whom all these charges are levelled, that they are appropriating positions of trust and influence, cannot rise to the height of the occasion and generously say, "Here you are my brothers, come and take what you like". If they cannot do that, I submit the talk of nationalism is only a camouflage. It would not have been necessary for my friend Mr. Maswood Ahmed to flatter the Commerce Member, characterising his work as the crowning event of his life. People here have been showering praises on him. If I had a chance, I would also have said a few words and paid my tribute to the devoted services of the Commerce Member, but I would not go the length of flattering him in order to get some advantage for my community. As I said before we have nothing very serious to do this session and so we have taken to this Ganga Jatra business.

My friend Mr. Sarma has given me a challenge and has offered to resign his seat and turn his back on his constituency, the Viceregal Lodge, to contest my constituency. (*An Honourable Member*: "Have you accepted the challenge?") Is it possible to beat my Honourable friend in his victorious march? I remember the day when my friend from South India came with slippers on with hardly anything to cover his body and has risen to his present eminent position as the editor, printer, publisher and, may I add, subscriber also of *the Bengalee*. I am not such a fool as to think that I can have any chance if he chooses to oppose me. If he condescends to do so, this will be the last occasion, when I can say a few words in this august Assembly, and I beg to be excused for intervening in this debate. I know the Government are not much perturbed over this cut because they have been trying to do their level best to give the Muslim community as much as possible in the present circumstances. (*An Honourable Member*: "Not at all.") The difficulty with my community has been that there are anti-Hindu Hindus, pro-Muslim Hindus and indifferent Hindus. These are the three classes into which my community is divided. As regards my friend's community, there is no difference between my friend Mr. Shafi Daoodi and Mr. Anwar-ul-Azim, and they ask with one voice for their share. Let them get it. I for one will not stand in their way, but what I would implore them is not to wash dirty linen on the floor of this House. After all in the services not one per cent. of our people are employed. That being so, we ought not to quarrel with each other. My friends may be justified in asking for their fair share, but this is not the way to ask the Government, because I understand the proper function of a cut motion is that it is in the nature of a censure motion.

We cannot certainly accuse the Government of having been partial to any community. It is the exigencies of the case. The Hindus took to English education earlier than the Muhammadans did, and I admire

[Mr. Amar Nath Dutt.]

the Muslims for not taking to English education in preference to their own culture and education unless obliged to do so by the exigencies of the political situation, and that was the reason why for about half a century they were behind the Hindus, and that is probably the reason for any inequality, which there might be. Now that they are taking in larger numbers to English education, they will of course get their share. But for that I do not think my Honourable friend the Commerce Member need be flattered or need be accused and told that, "You have not done so, you have not kept your promise", or my Honourable friend, Sir Alan Parsons, or my Honourable friend, Mr. Hayman, need be accused—of course Mr. Hayman has been accused of being a member of a minority community which has monopolised a large proportion of the posts for his own community, but the charge is hardly fair, because there are certain posts in the railways, as it must be admitted by any fair and impartial critic, for which members of the Anglo-Indian community have a more special aptitude than those of any other community. (*Lieut.-Colonel Sir Henry Gidney*: "Thank you.") It must be admitted—and I hold no brief for that community—that they are peculiarly fitted for certain posts, and one must remember that they do not encroach upon other departments in the same proportion; it is only the Railways and the Telegraphs for which they have a special aptitude. (*Mr. S. C. Mitra*: "What is the special aptitude?"). Well, they can endure long hours in the railway trains and privations (Laughter), and this cannot be denied. (*Voices*: "Question.") We Hindus should not grudge them that, and I would request my Muhammadan friends not to grudge it too, because, if we are really qualified to take up the duties of a guard, or the onerous duties of a big commercial station, certainly the time will not be far distant when we shall get such jobs. So on the plea of the representation of a particular community, it is hardly just and fair that we should accuse the Railway Board or the Railway Member for it. There is one other fact I should mention. I was grieved to find that my Honourable friend, Bhai Parma Nand, also wants communal representation against which I have always stood and against which I shall stand till the end of my life, because I do not believe in that.

Bhai Parma Nand: I do not want communal representation. I want everything on a national basis, on the merits of efficiency.

Mr. Amar Nath Dutt: Thank you, but what I understood was that he said that the Hindus were not properly represented on the North Western Railway.

Bhai Parma Nand: Quite so.

Mr. Amar Nath Dutt: I shall be very grateful if there are at least some nationalist Hindus and not anti-Hindu Hindus or "indifferent to Hindus" or pro-Moslem Hindus. Sir, then again there is the question of efficiency. That is also a thing to be looked into. My friends of the Muhammadan community will please realise that before Mr. Fazlul Haque they will not find in the Calcutta University Calendar a Muhammadan gentleman passing the M.A. examination in mathematics. That was the first occasion; and still when you take the figures, you will

find that very few of the Muhammadan graduates have passed the M.A. examination in mathematics. (*An Honourable Member*: "There are plenty of them. How many do you want?") Sir, the percentage will not be anywhere near the percentage of their population. My friend may contradict me, but I make bold to say that the percentage will not be even one per cent. of the graduates. Sir, if you take up the number of passes in a particular year of the Calcutta University among the graduates, you will not find that even 5 per cent. of them are Muhammadans, while their population in Bengal is over 50 per cent. I would therefore ask them and I would request the Government also to do all that is possible to have the spread of education among Muhammadans being made easier so that my Muhammadan brethren may come up in larger numbers as graduates. I know and my friend, Dr. Ziauddin Ahmad, who is himself a wrangler I believe, (*an Honourable Member*: "He is.") must also know—I see he is taking notes—and I challenge anybody in this House to contradict me, that the passes from the Indian universities of the Muhammadans are in the same proportion as they ought to be, and for that state of affairs, I think more facilities should be given to the Muhammadan community. But of course I think no sane man would ask the Government to have the percentage of passes increased also in the same proportion in their favour in the universities, whether they pass or not, or that since Bengal contains more than 50 per cent. Muhammadans, therefore the percentage of the B.A. passes among Muhammadans also must be over 50 per cent. (Laughter.) I think this demand has never been made by our Muhammadan friends, but from private conversations I gather that they want that they ought to have more facilities for education. That is a demand which is very just and fair, and they have my sympathy. Now as soon as larger numbers of educated men come from that community, they will no doubt be appointed in a higher proportion. I would ask my friends to pardon me and not to misunderstand me if I relate one instance of what happened in a particular Government office. The ordinary Hindu graduate does not expect to get high salaries, and most often he will be satisfied with a simple clerkship on Rs. 70 or Rs. 100, but amongst my friends of the Muhammadan community I fear they generally will not be so satisfied. If they are mere pass B.As., many of them will think they ought to get whatever the brilliant graduates of other communities alone can aspire to. In that particular office the question came up in a concrete shape, and the officer had to observe that:

> "I require officers of a certain calibre whose education cannot be less than that of a graduate of a university; but if that graduate happens to be a Muhammadan, he expects something better than what I can offer him, and that is the reason for paucity of Muhammadans in my Department."

Therefore I would ask my Muhammadan friends not to be so ambitious as that. (Hear, hear.) I remember that even my Honourable friend over there who stood first being bracketed with Gopal Chunder Das—I do remember the year—he also did not pass the M.A. examination in mathematics.

Nawab Sir Sahibzada Abdul Qaiyum (Nominated Non-Official): We can supply M.As., B.As., and B.Scs., in Mathematics and Sciences from the Islamia College, Peshawar, for the whole of India.

Mr. Amar Nath Dutt: From where? Peshawar? Well, we shall be very glad, but my idea was that the Muhammadans, being a very emotional race and fond of their own civilization and culture, took up the study of literature and of the holy Koran and of poetry more than these, earthly subjects like mathematics, physics, chemistry and other subjects and that that was the reason of the inequality in numbers. But now that they see that these earthly riches are as much necessary if not more necessary than spiritual benefit, they are getting on. I would suggest, and I hope they will not take me amiss, that they should take proper steps for more educational facilities being provided for their community, and when that is forthcoming, certainly they will get the share of public appointments to which they are entitled. But let them not forget one thing, when coming to accept State service in British India, they ought to remember that they are nothing else than British Indian subjects where there is no distinction of caste, creed or colour, be he an Anglo-Indian, be he a Sikh or a Muhammadan or a Parsi. To one other community my humblest tribute is due and that is the community of my Honourable friends Sir Cowasji Jehangir and Mr. H. P. Mody. That community never claims, never asks for any communal representation and still you find that they have been in the vanguard of Indian political progress as well as in offices for whatever posts they are qualified. I ask my Muslim friends to emulate the example of that small community resident mostly in the Bombay Presidency, who never claim such communal representation, and that will be in the fitness of things and then we will be able to join hands with each other and march onward on the path of progress and will not have to heckle or disturb the Honourable the Commerce Member or for the matter of that Sir Alan Parsons or Mr. Hayman.

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces: Muhammadan Urban): Sir, I rise to support this cut with a view to register the protest of the Muslim community against the persistent and deliberate attempts made by the Indian railways to ignore their claims. I am indebted to the Government of India, especially the Honourable Member for Commerce, for their kind and friendly feeling towards the Muslims, but it is our misfortune that promises made by them are never realised and their kind intentions of giving to Muslims their due share are never translated into practice by those who are responsible for the management of railways. The inadequate representation of the community to which I belong has been a long-standing grievance. Deputations have waited on officials, and fair promises have been made of righting the wrong, but they have seldom gone beyond the circular stage. Government issued circulars to Agents of Railways to restore Muslim equilibrium in railway service. I understand that Agents in their turn issued circulars to the heads of various departments under them, and perhaps the latter issued circulars to Divisional Officers, and there they lie as dead letters. In the matter of the upper branches of the service, whose appointments lie in the hands of the Government of India, something is done even though inadequately to console the Muslims, but in the matter of subordinate service, the claims of Muslims are deliberately ignored and Muslims, in spite of their proverbial loyalty, receive a step-fatherly treatment from the *ma bap* Government. Pressed by the volume of Muslim feeling on this subject, Government appointed a Special Officer to investigate the problem of Muslim employment on railways. I would quote a few paras. from Mr. Hassan's report. Para. 144, page 41 says:

"It will be seen that there was nothing seriously wrong with the recruitment rules that Muslims with the necessary qualifications for the posts to which recruitment is largely made were always available, that they did not miss the opportunities which were offered to them and if in spite of all this they are still inadequately represented, it would appear that they were not given a proper share in recruitment in the past. In making these observations I have not lost sight of the statement made by the Agent N. W. R., who informed the Railway Board in 1928, that better qualified Muslims were not willing to start in the lower grades and expressed the opinion in 1930 that a vast majority of them did not want railway service.

The same explanation, namely, the dearth of qualified Muslims, has always been put forward by other Railway Administrations to account for the present inadequate representation of the Muslim community. In view, however, of the fact that complete records community-wise of applications have not been maintained on any of these Railways and the posts were not advertised, it is not possible to give the exact number of those who applied for appointment or who would have applied if all the posts had been advertised. But whatever was the case in the past is more or less a question of academic interest. We are now really concerned with the future and it is this aspect of the case which needs careful consideration. The only reason why I have examined this point of view is, that if it is established that Muslims have in the past been denied their proper share in recruitment for no fault of their own, it will strengthen the case for any special measures that may now be decided upon for improving their position. It will not then be a case of favouritism but an act of tardy justice, if a fair proportion of the recruitment is reserved for them till such time as they secure their proper position and special steps are taken to ensure that there is no loophole for evading the policy of Government."

With reference to the remark of my Honourable friend Mr. Amar Nath Dutt I would quote para. 147 of the Report:

"As regards Calcutta I can vouchsafe for the accuracy of this statement from my personal experience, however, limited, as Statistical Officer, East Indian Railway. During the period of four years that I was in Calcutta I never felt the slightest difficulty in securing qualified Muslim candidates and they were appointed in all the grades from Rs. 30 upwards. If Muslims could be found in Calcutta to serve on the E. I. R., there is no reason why they should not be found for the E. B. R. It is interesting to note in this connection that a Selection Board was held last year on the E. B. Railway to select candidates for the post of Sub-Assistant Surgeons. A large number of candidates were interviewed and finally 4 were selected in order of merit for recommendation to the Agent for appointment. Two out of these four, including the man at the top were Muslims and it was the unanimous opinion of the Selection Board that the Muslim candidates were superior to non-Muslims. If there is no lack of qualified Muslims for posts requiring technical qualifications, it is not I submit unreasonable to presume that for posts which do not require any technical qualifications but only a Matriculation Certificate, there is not dearth of suitable Muslim candidates."

I would quote para. 244 at page 78:

"Muslims form 26·52 per cent. of the population of India and more than 38 per cent. of the population of the area served by the four State-managed Railways. A reference to the statistics would show that their representation in the subordinate services on the four State-managed Railways is 17·53 per cent. and if a census were taken on the company Railways their percentage will be found to be still lower. Whatever, the causes of their inadequate representation, it is obvious that they are the only minority community which stands in urgent need of special protection, at least till such time as its representation becomes adequate."

I may be allowed to quote another paragraph of this Report, paragraph 250 on page 80. It says:

"As has been pointed out in paragraph 144 of Chapter II of this report, there is ample evidence forthcoming that Muslims have not in the past received their proper

[Sir Abdur Rahim.]

Another proposition I lay down is that this is not a question of majority and minority. Take this railway service. As a matter of fact the Anglo-Indian community, which is a minority community, holds a very large proportion of appointments in that service. The question is really one of proper administration; and if the matter is carefully and constantly borne in mind, the position can be solved; but not otherwise. There is no ready solution, no hard or fast rules by which you can solve at once a question that has been agitating the people, the different sections of the people, for so long. The railway service is of very great importance because the State-managed railways of India are the largest employers of labour in this country, educated as well as uneducated. As regards the uneducated labour, I take it, there is not much discrepancy as regards the sections of the people from which it is drawn, but when you come to educated labour, it is a very different story altogether. The educated men of certain communities do not find a proper look in the Railway Department. I do not say for one moment,—I would be the last person to suggest for one moment—that the Government or the Railway Board do not recognise the importance of the question. Indeed a formula has been formulated, and it has been repeated on the floor of this House by more than one Honourable Member of the Government; but the practical question is, is it constantly borne in mind by the persons who have actually the making of these appointments? Mr. Hassan rightly points out in his Report, where I think he cannot be fairly charged with having shown any bias, that the persons who are in charge of the different departments of the Railway Administration are apt to overlook this matter in the daily work of administration. For that purpose it is necessary, and I think it has been suggested, that some machinery has to be devised by which the administrative authority could be kept constantly in touch with this question, so that it may ultimately be solved. But it has never been the claim or the case of the Muslim community as regards the railway service or any other service as a matter of fact, that their unqualified men should be given preference to qualified men drawn from any other community. That has never been the case, and if that were the case I should be the last person to support it. But, given a sufficient number of qualified men available for employment, it only requires some attention on the part of the authorities making the appointment to see that the State patronage is properly distributed. It is not a question which can be lightly brushed aside as one of loaves and fishes. It is a question of employment affecting a very large number of people.

My friend, Mr. Amar Nath Dutt, has waxed very eloquent as regards the need for the spread of education among Muslims. I say as regards the need for the spread of education, it exists not only in the Muslim community but in the Indian community at large. The percentage of literacy is so insignificant throughout the whole of India that to say that one community is more advanced in education than the other among the Indian communities is really to overlook the essential and real facts. No doubt the Muslim community, at least in Bengal, took to English education later than members of the other communities, and that partly accounts for the fact that they have lagged behind in obtaining their proper representation in the services. But there have been other factors in connection with this question which I do not think I should be justified in going into on this occasion; for the fact still remains that for various historical reasons education among the Muslims, in Bengal especially, has not advanced as rapidly as in the other communities. But for some time past, at least in the last twenty years, the community has been perfectly alive to the fact and they are now advancing very rapidly in the matter of secondary and higher education; so much so, as I have already mentioned to the House, that there is no lack now of qualified men being available for employment in the various State services, including the railway services.

There are certainly technical departments in which of course high technical qualifications being necessary, the field of selection is limited. So far as these departments are concerned, and so far as these appointments are concerned, it may be that in some of them qualified candidates are more abundant from one community than from another. I would not think my community, for instance, would in the least grudge a larger number of men being taken in those departments from any other community. It is not a question of jealousy. The only question with which the community is concerned is that their educated men should get a proper chance in the State services, and so far as the spread of education is concerned, I know the history of education in Bengal and I know how much the spread of education in Bengal has been due to the fact that men knowing English were wanted for services in the State. As a matter of fact, one of the arguments very often put forward against the system of education now prevalent in that province is that Government have created universities and a particular system of education mainly for the recruitment of clerks and subordinate officers in the Government. Since, however, the universities began to turn out men who knew English and were qualified for a certain class of work, the general effect has been very greatly to spread education throughout the province. It has enlarged the educated class in Bengal, and similarly if the Muhammadans are given proper opportunities in the various services of the State, then that very fact will provide a very strong stimulus to the spread of education among Mussalmans. I make a present of this fact to my friend, Mr. Amar Nath Dutt, who has been advising and lecturing to us so eloquently on the need for education in the Muslim community. Sir, my anxiety is that this question should be regarded as an important political issue which we all ought to approach in the right spirit with a view to its solution and not to throw obstacles in the way of its solution. The question will exist, and will continue to trouble both the Government and us so long as it is not solved, and it cannot be solved, if it is approached and dealt with merely in a recriminatory spirit, in a communal spirit, and not with a view to solve it; I do appeal to my friends on my right to deal with this question in that spirit. As I have pointed out, it is not really a question between one community and another, it is not even a question of majority and minority communities, and I have given illustrations to prove this fact; the question is one of proper administration and it is very much mixed up with bigger political issues, and therefore it ought to be the anxiety of all of us to approach it in a spirit which will lead to a proper solution and not to further complications.

Mr. A. M. Hayman (Government of India: Nominated Official): Sir, I intervene at this stage in order to place before the House certain facts and figures which I consider to be of importance in relation to the discussion on the motion before the House. I want first to say that this

[Khan Bahadur Haji Wajihuddin.]

share in Railway service and this has been to a large extent to the benefit of the majority community. That Indianisation of the superior services cannot for reasons which need not be stated here encourage any hope in Muslims of faring better in future is evident from their position in that Department which has practically been Indianised. In view of this and also in view of the fact that the population figures of the majority community include a substantial proportion of depressed classes who do not have and are not likely to have for some considerable time, a share in the subordinate services commensurate with their strength, it will not be unreasonable to fix 38 per cent. of all the subordinate posts for Muslims on the four State-managed Railways. But I recommend only 35 per cent. because it is possible that Government may consider it desirable to give a certain weightage to some other minority community."

Sir, in the commercial traffic and engineering departments of the Great Indian Peninsula Railway the ratio of Muslim employees does not reach even 1 per cent. In the headquarters offices of this railway there are nearly a thousand clerks, but not five of them are Muslims. How unfairly it deals with the Mussalmans may best be judged by one single instance. Sir Robert Maclean when Agent of this line appointed a highly qualified and well connected young Mussalman as Chief Food Inspector. He reorganised the catering arrangements in a most successful manner and received unstinted praise from all his superior officers, including the Chief Commissioner of Railways. But after two years of meritorious service, the retrenchment axe cut down his official career, and in spite of the fact that he was the only Muslim in the commercial department of the Great Indian Peninsula Railway drawing a salary of more than Rs. 400, he was quietly sent away as an ugly figure in this Hindu-ridden railway. I understand Mr. Rusell promised to find him employment, but four years have passed without his ever getting a job. Indeed they offered this young graduate, who started his official career on Rs. 475, a guard's or a ticket collector's job, whilst a score or two of novices were appointed as Traffic Probationers. The Special Officer of the Railway Board, Mr. M. K. Hassan, placed his name first on his list of recommendations, and last year the deputation of the Muslim Members of the Assembly and Council of State which waited on the Honourable the Commerce Member, submitted strong recommendations but without result. Indeed such is the indifference of this railway to Muslim claims, that on their various Advisory Committees there is not a single Muslim member, as if the Muslims do not travel on this line and do not trade with it. But I have quoted the Great Indian Peninsula Railway by way of example. It is practically the same on all other railways. And yet we are told that Government are doing their best to render unto Caesar what is Caesar's. Sir, we ask for nothing more than our bare rights, our due share of representation in the services of the country. But our claims are ignored because we are docile and loyal children of Government. As the Central Muslim Association of Calcutta told the Viceroy, the idea is gaining ground in the country that the only way to redress wrongs is to approach Government with a bomb with one hand and claims in the other. I beseech Government to prevent this idea from gaining a foothold in the hearts of the Mussalmans.

With these remarks, Sir, I support this motion.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I have been reluctant to intervene in this debate, but there can be no doubt that the question that has been raised is one of considerable political

importance. The issue has assumed such importance that it really cannot be ignored by any one who has at heart the interests of the country. Sir, I wish to make it clear first of all that it is not a question between Hindus and Muslims nor is it a question between the majority community and the minority community. In proof of the statement that it is not a question between Hindus and Muslims I will cite the non-Brahmin movement of Madras. I was present at the birth of that movement, and I know how it has progressed. Those who are in the know are aware that it was the exclusion or practical exclusion of the non-Brahmin community of Madras from the public services that led to the growth of this movement; and the movement exists and I am sure will continue to exist and grow stronger unless questions of representation of the various sections of the people in the State services as well as their representation in the political bodies of the country are properly settled. Sir, the non-Brahmins are Hindus as much as the Brahmins, and yet because a small section of the people had the monopoly of the State services, it was naturally felt as a very great grievance by the other section, and they had to organise themselves in order to secure a solution. I believe that by organisation they have been able to secure very great success. And I would advise my fellow religionists in this Assembly that by merely putting questions now and then or passing Resolutions or moving motions like this they are not likely to attain their object. I will give you one fact. Apart from the railway service, which I shall come to at once, let us take the Secretariat of the Government of India, of which I have had some experience lately. Will any Member of this House believe that of the Muslims of Bengal there are only two junior assistants in the entire Secretariat of the Government of India? And yet that is a fact. Who is to blame for this state of things? I think the blame must partly rest with the representatives of the Muslims of Bengal in this Assembly. Sir, the facts are well known; take the facts that have been placed before us by Mr. Hassan's Report. There can be no doubt as to the accuracy of those facts, and is it very difficult to understand the significance of that story? Then again what is the state of things regarding railway service in Eastern Bengal? Can that be a satisfactory state of things? It has been said by one Honourable speaker that the Muhammadans of Bengal cannot produce qualified candidates, but any one who knows the facts knows that it is not true. Qualified graduates among the Muslims of Bengal, whether in mathematics or in literature or in history or anything else can be had for even Rs. 80 a month. There is no lack of Muslim candidates; nor can there be any doubt that if they are given a chance they are able to prove their efficiency, to do as good work as men from any other community. This is

3 P.M. as I have said a big political question, and it is not going to be solved by counting the number of graduates of one community or another, whether so many men pass an examination in mathematics or any other subject. It is not that. It has to be looked at from a very broad point of view. I believe the Government of India fully realise that. As I have said look at the non-Brahmin movement. Nobody can say that nowadays the non-Brahmins that are to be found much more largely in service in the Madras Presidency have proved less efficient. I have known members of that community who, in point of ability in many spheres of life, compare favourably with men of any other community; and I venture to say also that the Muhammadans, given a chance, can prove themselves as efficient as members of any other community.

[Mr. A. M. Hayman.]

question of the proper and adequate representation of Muslims in the railway services is one that has been engaging the attention of Government very seriously for the last three years. I made many statements giving undertakings in this House in reference to this question. The Honourable Sir George Rainy when he met a deputation of Mussalmans also gave certain undertakings to them. Now, Sir, I desire to convince the House that when Mr. Maswood Ahmad tries to represent that Government do not keep their promises, or that they are getting a bit slack in this matter, that he is not stating the position accurately to the House. Sir, about September or October last year we wrote a very complete letter to Mr. Maswood Ahmad in which we detailed all the undertakings that Government had given on this question either in this House or to the deputations that waited upon Sir George Rainy. We stated each undertaking and we stated what Government had done in respect of each of those undertakings. Now, Sir, a copy of that letter to Mr. Maswood Ahmad has been laid on the table of the House, and I would ask Honourable Members to spare the time to read that letter, because they will find, I think, that Government have paid the greatest possible attention, and urgent attention, to all the undertakings that were given . . . . .

Mr. Abdullah Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): Why don't you read out that letter to the House?

Mr. A. M. Hayman: I am perfectly prepared to read it to the House, but I think that when a long letter has been placed on the table of the House it is for Honourable Members of this House to read it.

Dr. Ziauddin Ahmad: We are tired of your accounts; we want facts.

Mr. A. M. Hayman: My Honourable friend will certainly get facts from me. I sympathise with Muslims in this House and the Muslims outside this House when they feel disappointed in the matter of representation of Muslims in the services. They had, I suppose, some reason to expect that in the course of two or three years the number of Muslims in the service would have jumped up very considerably and also the numbers in the upper subordinate grades. Sir, if you take the figures as they now stand and compare them with the figures relating to previous periods,—I have got the figures here,—the number of Muslims as compared with the total number of employees.

Mr. Muhammad Anwar-ul-Azim: On what date is that please?

Mr. A. M. Hayman:

31st March, 1929, total number on all class I Railways .	774,515,	Muslims . .	173,980
		percentage . .	22·4
31st March, 1930, total number on all class I Railways .	783,902,	Muslims . .	177,777
		percentage . .	22·6
31st March, 1931, total number on all class I Railways .	746,111,	Muslims . .	167,476
		percentage . .	22·4

Dr. Ziauddin Ahmad: From what book are you quoting?

Mr. A. M. Hayman: I have taken these figures from the Administration Report and the Appendices to the Administration Report of the Railway Board. I have given the figures for 1929, 1930 and 1931. Now, I would like to analyse these figures by just quoting the figures relating to State-managed railways over which the Railway Board have a full measure of control. What I mean by this is that the Railway Board cannot issue detailed instructions regarding recruitment for Company-managed railways as they could for State-managed railways. Now, the figures in respect of State-managed railways are:

Total number in	1929 . .	468,275;	Muslims . . . 131,213
"	1930 . .	470,544,	" . . . 134,288
"	1931 . .	434,654,	" . . . 124,418
		Percentages.	
In 1929			28·02
1930			28·5
1931			28·6

I would draw the attention of Honourable Members to the fact that the figures for 1931 show the Muslim representation is slightly higher than in 1929-30. Now, Sir, the point I wish to make is this. The total number of employees has fallen . . . .

Mr. M. Maswood Ahmad: Will you kindly refer to page 48, Vol. I of the Report for 1930-31? The figure on 31st March 1930 was 182,849 Muslims out of 817,735 total, and on 31st March 1931, 172,321 Muslims out of 781,130 total. So we decreased by ·11 per cent.

Mr. A. M. Hayman: I am quite prepared to take up the case in the way the Honourable Member desires later on if I have time, but for the present I desire to place before the House facts and figures taken from published documents in a manner which I consider to be important. The point I wish to make is this, that the total number of employees has fallen due to the retrenchment that has had to be made on railways. We have been losing crores of rupees in our railways, and we had to cut down our expenditure to the utmost possible extent. We have had to cut down our expenditure by some crores of rupees. Now, for every rupee of expenditure in our revenue working expenses 8 annas ordinarily represents establishment cost, and it must necessarily follow that we have had to make a very big cut in our establishment charges, and this necessarily has involved the discharge of a large number of employees. Far from being a question of recruiting more establishments—and it is only when you recruit more establishments that you can hope to remedy the defect in the representation of Muslims in the railway services—we have had to make discharges. Indeed, Sir, we had to deal with realities. We had to face realities, we had to consider how we would best protect the Muslims who were inadequately represented in the services when we were dealing with the most distressful question of the discharges of railway employees.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

We did not leave things to chance. As soon as the Railway Board became aware that discharges of railway employees on a large scale would have to be undertaken, it issued instructions to the Railway Administrations giving them a lead as to how the discharges should be made, and an important instruction was given in those orders to the effect that nothing should be done which would act detrimentally to the interests of communities inadequately represented in the services.

Mr. Abdul Matin Chaudhury: Was it followed in the North Western Railway?

Mr. A. M. Hayman: I shall answer you presently. If one studies the figures of Muslim representation in the services, one will certainly be convinced that they are inadequately represented, though a certain amount of improvement has taken place in recent years. The point is this. Many of our Muslim employees were employees of comparatively less service than members of other communities, and if the Railway Board had not issued that instruction to which I have just referred, and if, therefore, in consequence discharges went by the rule (which could have been more easily applied by every officer who had to apply it) that is, by the strict rule of length of service—instead of finding from the figures of 1931 that the number of Muslims in the service on State-managed railways was a somewhat higher percentage than in the previous year, you would have found it very considerably lower. Now, I wish to claim that Government have faced the question squarely, have taken urgent action in this matter, have looked at realities, and have done in difficult circumstances all that they could reasonably be expected to do in order to protect the interests of the Muslims, who I admit are inadequately represented in our services.

I have been asked just now what had been done on the North Western Railway in respect of this question of retrenchment of establishments on that line. I happen to have a note with me and I will just read a few words from it.

Bhai Parma Nand: What do you mean by adequacy (*An Honourable Member*: "or 'inadequacy'.") or inadequacy of Muslim representation? Will you kindly explain?

Mr. A. M. Hayman: When a large community like the Muslim community has, for example, only 4 per cent. of the upper subordinate posts in our Railway department, I am perfectly convinced in my mind that they are inadequately represented.

Bhai Parma Nand: With regard to the total, what is the rule that you will follow? You quoted 28 per cent.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): What is the proportion of Muhammadan contribution to the traffic earnings on the railways?

Mr. A. M. Hayman: This, Sir, is the note I have got about the North Western Railway, and I have compiled it from an independent source, and I think that Honourable Members who would read Mr. Hassan's Report on the same point will find that it agrees substantially with what he has said. Here is what my note says:

"It would be as well for me to explain how the orders of the Railway Board were actually applied on some of the State-managed Railways. On the North Western Railway the question of safeguarding interests of minority communities in the course of retrenchment was discussed at two meetings of the Divisional Personnel Officers of the Railway where the necessity of taking suitable measures on this behalf was impressed upon them, and as a result of this meeting, instructions were issued by the Agent that the percentage of Muslims and other minority communities must be maintained in the same proportion as it was before the retrenchment started. For this purpose, the staff were divided into three categories, namely, workshop employees, inferior servants, other subordinate staff."

The result of the action taken by the Personnel Officers and the headquarters personnel establishment of the North Western Railway was to bring about the following results. In the subordinate staff, on the 31st March, 1931, when intensive retrenchment began, the percentage of Muslims to the total number of employees was 25·65. On the 30th June, 1931, when the intensive retrenchment stopped, it was 25·40. In the case of the workshop staff, the corresponding percentages were 62·4 and 63·6, and in the case of inferior servants, they were 61·9 and 61·1. The percentage of Muslims to the total establishment was 55·84 on the 31st March, 1931, and 55·88 on the 30th June, 1931. Now, these figures bear evidence that the greatest care has been exerted in applying the orders relating to this matter of retrenchment. When these figures came before me, I decided, having regard to the fact that there was a fall from 25·65 to 25·40 in the subordinate establishment other than the workshop establishment, that the case wanted some further investigation, and that in one respect some more Muslim employees had been discharged than should have been discharged if the orders had been fully applied. The Railway Board, Sir, then issued instructions at once to the Agent of the Railway Administration to adjust the discrepancy.

Mr. M. Maswood Ahmad: Have you taken any disciplinary action against these officers?

Mr. A. M. Hayman: I will answer that presently. The Railway Board issued orders at once to the Agent of the Railway Administration that, in taking back the discharged employees, some Muslims should be taken back earlier than the Hindus and other communities so that the proper representation of the Muslims might be obtained as quickly as possible.

Now, Sir, my Honourable friend Mr. Maswood Ahmad has asked me, "Have you taken disciplinary action against those who did not apply the order of the Board strictly?". I would answer him in this way. Although the Railway Board found it necessary in this one instance to give instructions to the Agent to make a certain readjustment, the Railway Board were convinced, that the Divisional Personnel Officers and the Personnel Branch of the North Western Railway at Headquarters had paid very great attention to the matter, that the officers had paid personal attention to the matter, and on the whole, they deserved to be congratulated for the excellent results they have obtained. (*An Honourable Member*: "By the Muslims.")

The position on other State-managed railways is somewhat similar. Definite detailed instructions were not actually issued by the Agent of the East Indian Railway to his officers as to how that order of the Railway Board was to be applied, but on that Railway, except the crew staff, there were little discharges in other branches, and Mr. Hassan, under my instructions, approached the Agent of the East Indian Railway and got him to consent that he (Mr. Hassan) would work together with the other officers of the railway in order to secure the interests of the communities inadequately represented when discharges were taking place in the crew staff. Here I would invite your attention to what Mr. Hassan says in paragraph 7 of his Report:

"I also assisted the East Indian Railway in the reorganisation of the crew staff. The re-grading of about 1,500 men from 14 to 7 grades and fixing their seniority was

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not an easy task and kept me and an officer of the operating department occupied for about a month. The principle that was adopted in re-grading the staff and fixing their seniority worked out so well that the interests of the minority communities in general and of Muslims in particular were fully safeguarded and each community also got its reasonable share in the higher appointments."

Much the same close attention to the question was paid on the Eastern Bengal Railway. Of the Great Indian Peninsula, we have not yet got full details. Mr. Hassan himself, who was to visit the railway and get me information, has not yet found the time to do so, but the table of figures show that on the whole the interests of every community has been very well safeguarded. Now, Sir, I think I have put enough before the House to convince the House that Government have been paying serious attention to this question of inadequate representation of Muslims in the service.

Bhai Parma Nand: What is the exact percentage of Muslims to the total service?

Mr. A. M. Hayman: I have nothing more to add on this point to what I have already said. I should like now to make one or two observations in connection with the remarks from previous speakers who spoke on this motion. My Honourable friend Mr. Maswood said that Company-managed railway paid very little attention to the question of recruiting Muslims in the superior services, and that in the last three years not a single Muslim had been recruited to the superior services of the Company-managed railways. I want to correct an incorrect statement made by Mr. Maswood. I find that in the year 1930-31, in the annual Report of the Railway Board, page 53, Volume I, Company-managed railways recruited six Muslims to their superior services.

Mr. M. Maswood Ahmad: I refer to gazetted.

Mr. A. M. Hayman: In the Company-managed railways, superior service corresponds to gazetted service. In the 1929-30 Report, page 57, you will find that two Muslims were recruited. In the 1928-29 Report, page 65, you will find that three Muslims were recruited. I am not discussing the question whether that number was adequate or not. I just wanted to correct an incorrect statement made by Mr. Maswood that in three years not a single Muslim was recruited by the Company-managed railways for their services.

Dr. F. X. DeSouza (Nominated Non-Official): Does the Railway Board have any control over the Company-managed railways?

Mr. A. M. Hayman: The Railway Board have got the Company-managed railways to agree that they will follow the policy which the Government laid down soon after dealing with the Lee Commission's Report, and that is that efforts should be made to recruit as quickly as possible 75 per cent. of officers in India to the superior posts, and any reader of the Railway Administration Reports will find that in the last three years Government have been pressing upon Company-managed railways to recruit Indians up to 75 per cent. of vacancies. They will find that in the staff chapter of the Administration Report . . . .

Dr. F. X. DeSouza: The Financial Commissioner told us that he was helpless.

Sir Alan Parsons (Financial Commissioner, Railways): I think the question to which the Honourable Member referred dealt with the subject whether we had any powers over Company-managed railways to get them to recruit from particular communities. There we have no powers whatsoever. We have of course occasionally a certain amount of influence.

Mr. Lalchand Navalrai: Have they ever carried out the suggestions that are made by the Railway Board?

Mr. A. M. Hayman: Again I would ask Honourable Members to study the Reports for the last few years. They will find that the percentage of recruitment of Indians to the superior services on the Company-managed railways is steadily on the increase.

Mr. Lalchand Navalrai: What is the percentage?

Mr. A. M. Hayman: The figures are in the annual Report. I could easily read them to the House. Page 53 of the Report for 1930-31, Volume I, at the bottom in the first table. You will find there the percentage of Europeans to the number of vacancies. In 1929, it was 44. In 1930-31, it was 50. That shows that there has been an increase of 6 per cent. in favour of Indian recruitment.

Now, Sir, I will pass on from this point. My friend Sir Henry Gidney said that Mr. Hassan's Report had disclosed that the Agents of Railway Administrations were not paying proper attention to this question of the adequacy of representation of Muslims in the services. Now, Sir, I am quite sure that the gallant Colonel will at once admit that he did not state the position accurately when I point out to him what is written in the first paragraph of Mr. Hassan's Report. It was due to the efforts of the Railway Board, who examined this question seriously and vigorously, that they were able to say definitely that they felt that the Agents of the Railway Administrations had in the recent past not given proper effect to the policy of Government.

Mr. M. Maswood Ahmad: If you see page 56 of the Report of 1929-30, you will find that there is not a single Muslim, non-gazetted or in the officer class. I will give you other figures when I reply.

Mr. A. M. Hayman: Is the Honourable Member talking about superior establishments?

Mr. M. Maswood Ahmad: In the statement showing the number of permanent vacancies which occurred among officers in Class I on Company-managed railways, in column No. 11, you will find Muslims are nil, nil, nil.

Mr. A. M. Hayman: That is so, but I take my figures from page 57. I think I should explain to the House that there are two statements relating to the Company-managed railways in the annual Report for 1929-30. The statement to which my Honourable friend, Mr. Maswood, refers relates to the permanent recruitment and no Muslim was recruited to the permanent establishment of Company-managed railways in that year, but I pointed out to him that there was recruitment to the temporary establishment. Mr. Maswood tried to make out that no Muslim was taken

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into the superior service. I challenged that statement. I would like to say a word or two now on Mr. Hassan's Report. I want the House to understand that Mr. Hassan has dealt only with the subordinate establishments of the State-managed railways and has excluded from his figures workshop establishments, even though some of these latter get rates of pay varying from Rs. 40 to Rs. 120 or thereabouts, and his figures also exclude all inferior servants. I feel it only fair to the House to give a summary which I have made from Mr. Hassan's figures. The following table shows the ratio of the various communities to the subordinate establishments as a whole on the different railways and it is prepared from the mass of figures in Mr. Hassan's Report:

—	N. W.	E. I.	E. B.	G. I. P.	All the four railways taken together.
Hindus	57·57	67·3	76·47	64·12	64·96
Muslims	24·98	17·47	14·09	10·09	17·53
Anglo-Indians	4·3	8·22	6·06	8·96	6·90
Europeans	3·88	5·58	2·65	3·98	4·28
Indian Christians	·81	·85	·45	9·69	2·82
Sikhs	8·01	·52	·24	·33	2·68
Parsis	·45	·06	·04	2·83	·81

(*N. B.*—Depressed classes are included in the figures for Hindus. Classes other than those detailed are insignificant in numbers.)

I shall explain why I have abstracted these figures. I have made the abstract as I think it will be useful to Members when the House considers this question again when the Government are able to place before it, or before the Central Advisory Council for Railways, their proposals on the recommendations made by Mr. Hassan. Before I sit down, Sir, I just want to say this, and I want to say it in the hope that I may be able to remove from my Honourable friend, Mr. Maswood's mind (*A voice*: "Or brain.") any suspicions that we do not treat this question seriously.

Sirdar Harbans Singh Brar: What about your solemn oath to the Muhammadans?

Mr. A. M. Hayman: Sir, I am not afraid of the accusations of Mr. Maswood Ahmad that we have not been serious in handling this question. Mr. Hassan, Sir, submitted his Report to the Railway Board on the 16th February. I wonder if my Honourable friends know that Mr. Hassan's Report consists of 281 printed pages, excluding the mass of statistics, which themselves stand about 6 ft. high. I say, Sir, that the Railway Board have placed their recommendations on this important question before the Government of India after having studied Mr. Hassan's Report of 281 printed pages

within a week of receiving Mr. Hassan's Report, and it now rests with the Government of India to consider how they propose to deal with the recommendations made by Mr. Hassan and the Railway Board.

Mr. Abdul Matin Chaudhury: What are those recommendations?

Mr. A. M. Hayman: The recommendations of Mr. Hassan, chiefly the one concerning a fixed percentage reservation for Muhammadans.

Mr. Abdul Matin Chaudhury: May I know what are the Railway Board's recommendations on that to the Government?

Mr. A. M. Hayman: The Railway Board's recommendations are now before Government and I am not in a position to inform the House of what they are.

Lieut.-Colonel Sir Henry Gidney: May I ask whether the Railway Agents have carried out the recommendations of the Railway Board or not?

Mr. A. M. Hayman: My information on the subject, which is borne out by correspondence in my office during the last six months and by personal visits to the Railway Administrations, is that they are now carrying out strictly the policy laid down by Government on the subject of the recruitment to the services of communities which are inadequately represented.

Lieut.-Colonel Sir Henry Gidney: After Mr. Hassan's Report was published?

Mr. A. M. Hayman: No,—after the Board took action some time ago.

An Honourable Member: Then why did you appoint Mr. Hassan?

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): What about those who are excessively represented like the Anglo-Indians?

Mr. A. M. Hayman: I do not propose at this stage to speak on questions which I consider are not directly relevant to the motion before the House. My Honourable friend, Sirdar Harbans Singh, spoke of the inadequacy of the Sikh representation in the services. He will find that Mr. Hassan has dealt with this very fully when he refers to the representation of Sikhs on the North Western Railway. I have got with me figures which will also prove that we have during the last few years done everything possible to recruit Sikhs to our superior establishments. I do not propose to read the figures out unless Honourable Members desire me to do so.

I think, Sir, I have now covered all the ground which it is necessary for me to cover. There were some very important remarks made by my Honourable friend, Sir Abdur Rahim, and some important remarks by my Honourable friend, Mr. Amar Nath Dutt. They touch on question of policy. I am quite sure the Honourable Sir George Rainy will refer to them when he speaks on this motion.

Mr. M. Maswood Ahmad: There is one point which I wanted to be elucidated. I challenged that there had been a decrease by ·11 per cent. in Muslim employment—*vide* page 48 of Volume I, Report of the Railway Board. I did not get a reply.

Mr. Deputy President: Order, order. The Honourable Member will have a chance of replying to the debate.

Mr. C. C. Biswas: Sir, Government having themselves raised the Frankenstein monster, they now find themselves at a loss how to lay it. Therefore, we need not waste any sympathy over them. (Hear, hear.) Sir, if you start introducing these communal questions in the matter of filling up public positions, you are bound to be up against difficulties which you will find you cannot solve; and the more you try to placate communities as such, the greater will be the difficulties you will find yourselves in. That has been your experience so far, and that will be your experience more and more, as the days go by. Sir, I do not know if proceeding at the rate we are doing, we shall ever come to the end of our troubles. A simple, probably the only solution, I sometimes think, would be this, so far as the railways are concerned. Have everywhere throughout the country at least four parallel sets of railways; one for the Mussalmans (Laughter), one for the Anglo-Indians, one for the Indian Christians, shall I say, and one for the nondescripts including the Hindus; and let it be the rule, Sir, that each of these different railways will be manned exclusively by members of the particular community concerned; and, mark you, it should also be the rule that the earnings of each particular line should be contributed solely by that community, so that no community will be entitled to claim more than it pays by way of revenue to the State! (Laughter.) Otherwise I do not know how you can solve these interminable communal difficulties. *(An Honourable Member*: "Then keep up your monopoly.") Sir, my Mussalman friends naturally want a percentage of posts in relation to their percentage of population. When, however, you come to the Anglo-Indians, that criterion must forthwith be discarded! (Laughter.) Why, because if you look at the population, their percentage is somewhere near ·035, whereas their percentage of employment in the subordinate staff of the State-managed railways comes to something like 6·90 per cent.

Lieut.-Colonel Sir Henry Gidney: On the subordinate staff according to population, it must be 7·5 per cent.

Mr. C. C. Biswas: I am taking that from Mr. Hassan's Report, the Report which my Honourable friends opposite are swearing by.

Lieut.-Colonel Sir Henry Gidney: It comes to 3·05 per cent. of the total population.

Mr. C. C. Biswas: It makes very little difference. That particular figure may be wrong, but the main fact remains, which I am sure my Honourable friend Sir Henry Gidney will not be able to controvert, that the percentage of employment which they enjoy in the railway service is very much out of proportion to their percentage of population. The point which I wish to make is this. In the case of Muslims, it must be on a population basis, but when you come to the other community, it must be on a different basis! The Anglo-Indians, it is said, have been trained in a particular way, their methods of life are of a special description, and they have got, so to say, vested interests in the railway service, and it would be a great injustice to take away anything from them! Therefore, whether it is under-representation or over-representation, so far as the favoured communities are concerned, they must not only continue to be favoured, but more and more favours must be heaped upon them! That seems to be the policy. And the beauty of it is that if you want to redress Muhammadan inequality, you must take it not out of the community which is over-represented, but you must take it out of the Hindus! That seems to be the main object of my Honourable friends over there. I say, this will not do; and after all, if you are really so anxious to monopolise or to secure a larger share of the State appointments, it may be that a time will come when you will rue the day that you asked for these favours; you will find that State appointments will possibly have demoralised you, as they have demoralised other communities. However, that is by the way. Assuming for a moment that these are something worth having, these Government appointments, that they should be the be-all and the end-all of your existence in India, assuming that, I say, if you are to work it out on a fair basis, it will not be right for you to confine yourself to one Department, the railways, for instance. Why not take all the State services, and find out how it works? Take the Police, for instance, where I believe the Muslims are over-represented. The inequality or the under-representation in one service may be compensated by over-representation in another. I say, if you are going to proceed on those communal lines, the only fair course for you to take is the average based not merely on one particular service, but on all the different services, and then other things being equal or nearly equal, I do not mind your accepting population as the basis. But be it not the case of "Heads I win, tails you lose". Fix upon some principle or other, and be done with it, and try to apply that principle, but do not trot out any number of principles or try to start new theories, whenever it suits you, only to justify in some way or other your claims to more and more of these appointments. That is all I wish to point out. I do not desire to go into the figures given by Mr. Hayman. His figures may please some; they may not please others. But let us look at the question from the broad point of view. It is not well to be perpetually clamouring for these appointments on a communal basis. I am quite sure if all the sections of the House, irrespective of communities or creeds, unite in regarding efficiency as the sole test of appointments, that would be something very desirable, something which we ought to feel proud of and something which will bring us nearer to that United India which we all have in view. I was just glancing through this Report, and I find Mr. Hassan quotes the Queen's Proclamation. I could not help smiling, for, if there was one document which set the Queen's Proclamation at naught, it was this. Possibly I am doing him an injustice, for he was simply trying to carry out a policy which was dictated to him by the Government of India. That may be so, but still the fact remains that if you once break away from your moorings, and your anchor ceases to hold, you do not know where you will find yourself, into what rocks or shoals you may find yourself stranded.

Shaikh Sadiq Hasan (East Central Punjab: Muhammadan): Sir, it is really with a very heavy heart that I rise to speak on this cut. I am a nationalist, and anything which weakens the cause of nationalism really hurts my feelings, but I think in speaking on this point, I am really strengthening the cause of true and real nationalism. For this reason, I will briefly allude to the past history of India, our glorious motherland. Every one who knows about the history of India knows about the glorious Empire and great arts which existed in times past. Industries flourished in those days, and if we compare the India of the present day, it is nothing but a shadow of the past. I will give you one reason why India lost her

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past glory. India lost her splendour when one set of people tried to keep down another set of people. My family belonged originally to a high class Hindu caste and I am proud to be the descendant of the old Brahmins, but all the same I do say that it was my caste that kept down the depressed classes, and when the Muhammadans invaded India, these depressed classes were quite willing, if not to fight with the invaders, at least to silently side them and thus overthrew this great bureaucracy of the Hindu caste. Sir, when the Muhammadans came I would justly admit that the early Afghans did not rule as well as they should have done because they were foreigners, and it was only in the days of Akbar and Shah Jehan, in the days of those grand Moghals that they felt that they were part and parcel of India. Then I would say that until 150 years back, the Hindus and Muslims did not treat one another in a fair manner, with the result that we find the English people came. Unless we people here, instead of talking platitudes and talking just like my Honourable friend Bhai Parma Nand, are prepared to do justice to each other, the result will be the same as what happened in the past and you will find the Muslim community as annoyed as were the depressed classes in the past. I would ask some of my friends who talk so glibly and who talk so much of equality and efficiency, I would ask them whether they have done any justice to the depressed classes during the last 5,000 years. How have they kept down 60 millions or 70 millions of men up to this time? Even now I want to ask my Honourable friend Bhai Parma Nand who wants to take these depressed classes into the fold—he is very anxious to take them so that they may fight against the Muslims—I want to ask my Honourable friend Bhai Parma Nand what have the Hindus done to uplift those people. We find these depressed classes in the Punjab. They have got a general electorate with the Hindus in the Punjab. Have they ever sent any representatives of the depressed classes to the Council except to make a mockery of them? It was only when Congress wanted to oppose Government in the Councils that they sent one or two to make a mock show.

4 P.M.

Now, Sir, some people always talk of loaves and fishes. Why they ask are these Muslims so anxious for the loaves and fishes. Sir, it is a question of "haves" and "have nots". Those people who have will always say to the people who have not, "Why are you anxious about the loaves and fishes?". Such is the cry of capitalists everywhere in the world. They would not like to give an iota to the people who are poor. Such was the cry of the aristocrats before the French Revolution or in the days of the Csars in Russia. Certainly they do not want to yield because if they give something to the other people, they will lose. For this reason they always cry that the demand for loaves and fishes is absurd. But if they will themselves give up these loaves and fishes, we will very much welcome them and will be very glad. Then, Sir, there is another point. It is not only a question of loaves and fishes, it is something more than that. It is the question of a proper share in the administration of the country. Sir, as I said, I am a nationalist and I do not like the foreigners to be here, but I certainly would not like them to be replaced by Hindus only. I would like to say that Hindus and Muslims and all the other classes in the country, Parsis, Sikhs, Christians and depressed classes should all live in a just and amicable manner. It is not for one class to say that the Muslims should not demand a share in the administration

of the country and so on. It is a great thing to have a share in the administration of the country. The English people, after all, are not taking very much in the shape of salaries from the revenues of the country, but all the same we do not want to see them here because they hold the administration of the country and it is humiliating for my countrymen to be held in serfdom. In the same way it would be humiliating for the Muslims to be held in serfdom by any other community. Of course in this matter of employment I cannot throw the entire blame on my Hindu friends; I would also throw the blame on the British Government. If the British Government wanted to help the Muslim community, they could do so. They sent 50,000 Indians to jail during the last civil disobedience movement and they have sent about 35,000 people to jail during the present movement, and the Government which could do so could also stop the recruitment of other communities if they wanted to do it. But they are not keen on doing it, and perhaps they have got their own motives. Sir, I am glad to find my Honourable friend Bhai Parma Nand a great advocate of nationalism. I would be very convinced of his nationalism if he gave up his Vice-Presidentship of the Hindu Mahasabha, which is a most anti-nationalist body, like some of the Muslim bodies. How can he talk of nationalism? What I am saying is that you cannot ask people to think non-communally while you are doing it yourself. What I am really driving at is, that I do not want the lion's share for my community. I would certainly oppose any Mussalman who says that he should have the lion's share in these services. But what I do say is that Muslims should have their just share and this should not be opposed by any one.

Bhai Parma Nand: What is that just share?

Shaikh Sadiq Hasan: We can sit together and settle that after discussion.

An Honourable Member: What about the Anglo-Indians?

Shaikh Sadiq Hasan: I would say about Anglo-Indians, Sikhs and depressed classes that no community should have more than its due share. But there is one thing which you have to admit, and that is that the Anglo-Indians have not got any share in the other services of the country. I would say about the depressed classes that I am very keen that they should also have their due share. It is not fair that we the Muslims only should take our own shares, but we should also strongly press the claims of the depressed classes, and it will only be just and fair for us to do so.

Finally, Sir, I would say that the Railway Board has done one thing for which I am very thankful to them, and particularly to Mr. Hayman, the Member in charge of the staff, and that is that they have made a proper inquiry into Muslim grievances. Not once or twice, but many times memorials were sent, interviews were granted and from the Press and platform and on the floor of this House the question of inadequacy of Muslim representation was impressed upon Government during the last ten years. The reply invariably given was that Government were very anxious to employ more Muslims, but the difficulty was that Muslims with the requisite qualifications were not available. The representatives of the Muslim community knew that the information which was supplied to the Government was not correct, but they did not possess any definite figures

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to convince the Government. It must be said to the credit of the Railway Board that they had a proper inquiry made into the subject by one of their officers with the result that is known to the House.

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

So far as we are concerned, it did not require Mr. Hassan's Report to explode the theory of paucity of qualified Muslims, and now that Government have got a report from their own officer, let us hope that this plea will never again be put forward by any one in future in justification of the paucity of Muslims in railways or in any other services of Government.

It is no use now discussing the past, because it will not increase our number, but it will only add to bitterness, will preclude a calm examination of the question which is essential not only for the Muslim community but also for the country as a whole. We have to consider what action should be taken for the future. And in this connection I would like to invite the attention of the Railway Board to the figures given by Mr. Hassan in chapter 3 of his Report. I do not wish to weary this House by referring to them here in detail, but a mere glance will convince any fair-minded person that Muslims are very inadequately represented in the subordinate services generally and the upper subordinate posts particularly; and unless some steps are taken, there is no hope that Muslims will ever get the representation which their education, population and share in political life of the country entitles them to. The Railway Board have tried—and I must say faint-heartedly—to increase the Muslim representation in the services under their control during the last six years by means of circular letters and instructions; but as is evident from the figures given in Mr. Hassan's Report, these have failed in their objective. It will be seen from the memorandum which the Railway Board circulated last year to the Members of the Legislative Assembly in connection with the representation of Muslims in the services, that a senior European officer also arrived at the same conclusion at which Mr. Hassan has arrived; that it is necessary to fix a definite percentage for Muslims if it is really intended to increase their representation. Here is a unique opportunity for the Government to prove their *bona fides* to the Muslim community and a splendid chance for the great Hindu community to show their sense of justice. I have great admiration for some of my Honourable Hindu colleagues who are true patriots in not offering opposition if Government are prepared to take action on any such lines. Speaking on behalf of my constituency, I would state most emphatically that, unless a just percentage is fixed for Muslims, there is absolutely no chance of their being adequately represented in the railway services. Any delay will give rise to genuine misgivings amongst the educated Muslims as to the *bona fides* of the Government in this matter and would lead to agitation which may have serious effects, because our claims are based on justice and we do not want any more than our share. I would therefore appeal to the Honourable the Railway Member and the Railway Board to take their courage in both their hands and do justice to the Muslim community.

Finally, it will be seen from the Report that unless qualified Muslims are recruited in large numbers in the intermediate grades, there is no chance of their being adequately represented in the upper subordinate grades. I would therefore most strongly urge on the Railway Board a certain percentage in the vacancies in these grades should be given to capable and efficient Muslims till such time as the representation in these grades becomes adequate. With these observations I resume my seat.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I congratulate my Nationalist Muslim friend on the frankness with which he spoke. We are living in difficult times and the difficulty which confronts us can be solved only by candour. My friend, Mr. Biswas, was candid; and my friend, the Honourable Mr. Sadiq Hasan, was equally candid. I do not question his nationalism and I do believe he does not question the nationalism of my friend, Mr. Biswas. This is purely a national question which is facing the Nationalists. A similar question, as you are no doubt aware, faced Canada when it was in the throes of dominion autonomy, when it was undergoing the birth-pangs of dominion freedom. I am not embarrassed by this debate at all. I in a sense welcome this debate. I know there are people who think it is a painful debate; painful it certainly is; but raised in pain the nation shall be delivered in freedom. I therefore do not utter one word of condemnation I welcome this debate. I do not share the pessimism of my friend, the Honourable the Leader of the Indenpendent Party who perhaps thought this was not the place for a discussion of this kind. I believe this will not be the place for a discussion of this kind after a few years, perhaps within a few years . . . . .

Sir Abdur Rahim: I never said anything like that.

Mr. C. S. Ranga Iyer: I am glad to know that he did not say anything like that. I was not present when he spoke (Laughter): I thought my information was correct: I was told that he had stated that this discussion should not have taken place on the floor of this House. I am extremely glad that he welcomes a discussion on the floor of this House. It is much better to have a discussion . . . . .

Sir Abdur Rahim: I said the discussion should be in a different spirit.

Mr. C. S. Ranga Iyer: He wanted the discussion in a different spirit, not perhaps in a communal spirit. There was a time when my Honourable friend the Leader of the Independent Party was in his less regenerate and more communal days discussing this thing in a big conference at Aligarh, when he stated that he feared that the Hindus, perhaps the extremist Hindus, wanted the expulsion of Muslims from India, as the Moors were expelled from Spain; and when I criticised that statement, I welcomed that frankness out in the country. Always such candour and candid talk is calculated to improve the state of things. Even so, even if strong words have been used in this debate, I welcome them because we have to fight out this problem; we cannot fly away from this problem. What happened in Canada? If you read Lord Durham's Report, you will find that Canadian French and Canadian Englishmen fought like cats and dogs; they would not meet each other in the Canadian clubs in one club; they would not go to the same schools; the Canadian French and the Canadian English sent their sons and daughters to different schools. If you read Lord Durham's Report, you will find that the children of Frenchmen and Englishmen fought each other in the streets. Lord Durham says with sorrow that they met only in one place and that was

[Mr. C. S. Ranga Iyer.]

in the court of law; and there too for the utter obstruction of justice. Things have not become so bad in India; and after the speech of my friend, Mr. Sadiq Hasan, I am convinced things will never become so bad in India. He is not forgetful of his past; he took delight in saying that Brahminic blue blood flows in his veins. It requires some courage, it requires some faith in the nationalism of the country to come forward and say a thing of that kind. That shows to me, as by a flash of lightning, that beneath the frothy surface of communal discussion great currents of unity are at work. As I said before, and as I say now, we must bury the hatchet. It is a bad thing, this communal representation in the services. But good or bad, just as Canada went through it, I am prepared to go through it; and I know by over-feeding the communalists with communalism, I will make them disgusted with communalism. I am out to satisfy the minorities . . . .

Mr. B. Das: Not Colonel Gidney?

Mr. C. S. Ranga Iyer: Including Colonel Gidney. My friend, Mr. Das, says "Not Colonel Gidney?". I say including Colonel Gidney, for if India is to be free, the tyranny of the majority will be the worst form of tyranny. As Gibbon said of one of the Roman tribunes they "talked the language of patriots but walked in the footsteps of despots". Let it not be said then of majorities that they propose to trample on the minorities; but there are majorities and majorities and minorities and minorities. It is not a racial or a communal question; it is more a provincial question, for in the Punjab the Hindus are in a minority. And when the railways traverse places where the Punjabi Hindus are in a minority, I would expect my Muslim friends to remember the Hindu minorities of the Punjab.

Mr. Lalchand Navalrai: Remember the Sindhis also.

Mr. C. S. Ranga Iyer: My friend over there, the staunch champion of the Sindhis, says "Remember the Sindhis also". Sir, if we approach the question from that point of view, we need not be ashamed of this debate; we need not be sorry for this debate. Sir, the strawberry grows underneath the nettle and wholesome berries thrive and ripen best under such conditions. (Cheers.)

Maulvi Muhammad Shafee Daoodi: Sir, after what my friend, Mr. Ranga Iyer has said, I think we should close this debate and discuss the question on its merits. He has been eloquent in putting the case of all the communities that inhabit this vast country, and I really congratulate him on the way in which he has spoken. It is this courage which will help to solve this problem. Our esteemed friend, Sir Abdur Rahim, gave us his mind quite clearly and quoted an example from the Brahmin and non-Brahmin communities of Madras which should have satisfied my friends on all sides. This is certainly not a question which should create bickering amongst us. It is a question of the share which every community should have in the administration of our railways which traverse this country. I hope my friends on the other side will agree, and especially my friend Bhai Parma Nand will agree that the Muslims are really very inadequately represented.

Bhai Parma Nand: I want to have a definition of adequate or inadequate share.

Maulvi Muhammad Shafee Daoodi: If my friend Mr. Hayman cannot convince my friend from the facts and figures he quoted, I for one cannot convince him—I am not a master of all these facts and figures,—but what I find is this. When the Muhammadans felt very much aggrieved on this question, they represented their grievance to you in the Assembly, to the Honourable Member for Railways in his office and so on, and special officers were appointed who have published their Report.

Bhai Parma Nand: Could you tell me what is the share that you want?

Maulvi Muhammad Shafee Daoodi: I have read portions of this Report which relate to this question.

Sir Abdullah Suhrawardy: I will answer the Honourable Member's question for Maulana Shafee Daoodi. We want an equitable share; we want an equal share which will break the monopoly or undue preponderance of one community over another.

Mr. President: Order, order.

Maulvi Muhammad Shafee Daoodi: I have read portions of this Report, and I find it contains a complete answer to your question. . . . .

Bhai Parma Nand: Because the Report is written by a Muhammadan officer.

Mr. President: The Honourable Member should address the Chair.

Maulvi Muhammad Shafee Daoodi: The percentage of Muslims in different railways and in different localities has been given, and it is not that other minorities have been ignored. The question of Sikhs, Anglo-Indians, Parsis, in fact of every minority community has been dealt with in very great detail.

Sirdar Harbans Singh Brar: No, it is not so.

Maulvi Muhammad Shafee Daoodi: You may not agree with the conclusions which that officer has arrived at, but he has dealt with the whole question in a very able manner. I have very carefully considered it and come to that conclusion. Now the Report also says what advantages or disadvantages the Anglo-Indians have or will have in future; the Report does not conceal that fact from you. . . . .

Mr. President: Order, order. The Honourable Member should address the Chair.

Maulvi Muhammad Shafee Daoodi: Now that Honourable Members are in possession of these facts contained in this Report, we should consider how far the recommendations made in this Report can be given effect to. That is the whole question. If you dispute any facts contained in the Report, that is another matter; but I find that, after the long discussion we have had over this question, no facts contained in the Report have

[Maulvi Muhammad Shafee Daoodi.]

been disputed. You may of course dispute the conclusions, and you have disputed them, but you have not disputed any facts contained in the Report. Now the Railway Board is in possession of these recommendations as to how the members of the Muslim community can be promoted to upper grades because of their appointments in the intermediate grade, as to how the percentage can be increased without causing any inconvenience to those already employed in the railways, and what steps should be taken to increase the percentage of Muslims in the railway services, I would appeal to my friends on this side who have a great desire to create a good atmosphere in the country which might be helpful to the solution of the difficult and knotty problems confronting us, to look into the matter very dispassionately and calmly and see if they can also help us in asking the Railway Board to accept the recommendations contained in this Report. I would ask my friends to bear in mind that the Report does not say that the full percentage of population should be given to Muslims. Although in one place the Report says what the percentage of Muslims is in the area in which the North Western Railway traverses, still the demand is not 38 per cent., it is much less; it is 35 per cent. So I would appeal to my friends to look into the matter in a different light, and not in the light in which they have been looking at it till now. After the advice given by Mr. Ranga Iyer, we have no quarrel with our friends on that side, but we have to come to some conclusion. I don't want to say that you should agree to the representation of Muslims in the Railways to an unfair degree, but I find from this Report that the percentage recommended is just lower than the percentage due to Muslims on a population basis. For that reason I would appeal to my friends to be indulgent enough now to close this debate and have from the Railway Board an assurance as to what they are going to do on this Report. This is the most important thing which would assure the minorities as well as the Muslims so far as their claims are concerned.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): Close the debate now.

An Honourable Member: I move, Sir, the question be now put.

Mr. President: I accept the closure.

The question is that the question be now put.

The motion was adopted.

The Honourable Sir George Rainy: Sir, I do not think the House will expect from me a long speech on this occasion, and certainly I should not be prepared to follow some of the speakers who have spoken into the very wide area which they entered. I do not say for a moment that their speeches were not relevant to the issue which we are considering—they were eminently so—but on this great communal question, this great problem which is facing India, I think the anxiety which fills the minds of those of us who sit on the Treasury Bench is, lest anything we should say, should add to the already sufficiently formidable difficulty. This is pre-eminently a national question on which Indians may very naturally concede to Indians a certain freedom of speech, but personally I always regard it as an extraordinarily difficult field to enter with any hope of being able to improve things and not make them worse.

Sir, I think I may congratulate the House on the tone of the debate to which we have listened, and I should like to refer specially to the speech of my Honourable friend the Leader of the Independent Party. It did seem to me that, if some of these difficult communal problems are to be solved, it is very much in the spirit in which he approached the problem that they will be solved. By mentioning him specially, I would not wish to be understood to be criticising any of the other speakers. Naturally, of course, in a debate when a number of Members have spoken from all quarters of the House from different points of view and with a different outlook,—naturally there may be a touch more of acerbity in some than in others, but there is nothing surprising in that. I agree with my Honourable friend, Mr. Ranga Iyer, that it is not a debate which we need regret.

Now, to turn to the more immediate question, the speakers who opened the debate, my Honourable friend, Mr. Maswood Ahmad, and my Honourable and gallant friend, Sir Henry Gidney, announced to the House their discovery that the policy of the Government as regards recruitment from communities not adequately represented was not being properly carried out, and the implication clearly was that we were very much to blame for that. This discovery did not come to me with any flush of glad surprise because I discovered it myself a year ago, and if I may read what I said in introducing the Budget last year, Honourable Members will see that this is so. What I said was this:

> "Special enquiries have been made in three of the principal railways. The Government of India have come to the conclusion that adequate steps have not yet been taken to give effect to the policy of the Government, and that further measures are necessary and must be introduced at a very early date."

Therefore, when Mr. Hassan's Report—I should like to pay a tribute to the industry and ability with which it has been written—when it came to us, the fact that it reported that the policy had not been always fully carried out did not come to me with a shock, or as anything of which we had not had a shrewd idea before. One must recognise of course the practical difficulties of working the kind of system which we have been endeavouring to work. It is not altogether easy—unless, as Mr. Hassan proposes, we should have fixed percentages—it is not altogether easy to carry out the policy when the execution has to be entrusted to a number of officers and authorities scattered all over the country. But the crucial point is this; if it appears to us that the policy is not being fully carried out, what practical steps can we take to see that it is carried out? Now, Sir, when I spoke on this subject a year ago, although a number of ideas had been advanced I did not feel myself that the issues had been thoroughly cleared up, and it is the advantage of having before us Mr. Hassan's Report that we now have presented to us definite issues on which, before very long, definite decisions will have to be taken. There are two aspects of the case which I regard as on the whole the most important and most urgent. One of them was alluded to by my Honourable friend Sir Abdur Rahim in his speech last year, and I think he also touched upon it again this year. That is, question is whether the recruiting authorities, when they are recruiting through selection committees, are sufficiently in touch with the communities concerned, so that the best candidates from a particular community are brought to their notice. I have felt for a long time that that might be a direction in which our system was not working quite satisfactorily. Now that we have Mr. Hassan's

[Sir George Rainy.]

Report, I propose to bring the matter before the Central Advisory Council for Railways so that we may see whether we can work out some system of a committee, attached to each of the railways,—or possibly for a particular railway which passes through several provinces there may have to be more than one committee—which will bring to the notice of the railway authorities candidates who clearly possess the qualifications which the railways require from all candidates for a particular class of appointment. That is one line on which I think a good deal could be done to make our policy effective. The other is a practical proposal which Mr. Hassan has made,—that we should reserve a definite percentage of appointments on each of the State-managed railways for Muslim recruitment. My Honourable friend Mr. Hayman has told the House that the recommendations of the Railway Board were already before the Government of India, and we will do our best to deal with the matter expeditiously. Those who look back at my speech last year will see that it raised a question which I foresaw must inevitably be raised. The general rule under which we are working in the Government of India is the reservation of one-third of the vacancies for the redress of marked communal inequalities, and what I said in my speech last year was that, when you are dealing not with an all-India service, but with a particular railway, conditions vary so widely that it is quite a fair question to raise whether some adjustment of our ordinary formula is not required. It is to that question that we are applying our minds, and I certainly shall be very disappointed if, before I hand over charge of my office, we have not arrived at any rate at a provisional conclusion on the matter.

Now, Sir, my Honourable friend, Sirdar Harbans Singh Brar, in his speech to which I listened with great interest, referred to an unholy alliance, and as his eyes were directed to a particular quarter of the House, I imagine he had in mind some union between two sections of the centre Benches. To my great apprehension and dismay, before he sat down, it appeared to me that he was himself acceding to the alliance to which I will not apply any epithet whatever. From what fell from my Honourable friend, Mr. Shafee Daoodi, I gathered he was sanguine or at least hopeful that perhaps the whole Opposition would enter this same alliance. Mr. President, if that were to be an augury that the parties in India are going to get together and settle their communal differences, then those of us who sit in the Treasury Benches would have more cause for satisfaction than any one else. I hope that the alliance, not the unholy alliance, but the real alliance will accomplish itself and prove effective. (Applause.)

Mr. M. Maswood Ahmad: In reply I want to say only a few words. The first is this. In connection with the figures collected by Sirdar Harbans Singh I will ask my Honourable friend to read Mr. Hassan's Report. My second point is that in the Report to which my Honourable friend referred, he will find many quotations from Mr. B. T. Singh who was a colleague of my friend Mr. Hassan. So the Report is not of Mr. Hassan's only but a member of Sikh community is also responsible for it. The other point is that some of my Honourable friends said that there are very few Mussalmans who are M.As. in mathematics. Mr. President, may I ask how many Mussalman M.As. in mathematics they require. I will supply them, Sir, I can give them as many Muhammadans as they want, M.As. in mathematics, from my province of Bihar only, for the whole requirement of all the railways in India. Another point that was mentioned is the alliance. We Muhammadans are ready to have holy alliances with all the inhabitants of India. We are ready to have an alliance with our Sikh friends, an alliance with the depressed classes, an alliance with our Hindu friends and an alliance with all the other communities of our Mother country. I am thankful to all the Honourable Members who have sympathised with my motion and at least agreed that our representation in the subordinate and in the gazetted grades is quite inadequate and insufficient, though one or two Members may not know the meaning of the words "adequate" and "inadequate". I will advise them to consult dictionaries for the meaning of these words.

I assure my friend Mr. Hayman that all the figures quoted by me are supported by the Railway Administration Reports for 1929-30 and 1930-31, and if he has got any doubts about any figures I can quote pages and volumes to him. I do not want to waste the time of the House by repeating the same figures with authority now. But my Honourable friends would have marked that when I interrupted my Honourable friend Mr. Hayman and I stated the pages of the Railway Report for 1929-30 my friend took shelter under the words "temporary job".

I want to say just one or two words more. I am sorry that my friend did not reply to the point that I emphasized four times—once in my speech, twice in the speech of my friend Mr. Hayman and a fourth time when he finished his speech, that our percentage in spite of so many promises was reduced by ·11 per cent. When he finished his speech, I drew his attention to that point. On page 48 he will find that our percentage has gone down and this percentage was before the economy campaign. His statement that it was after economy campaign is incorrect.

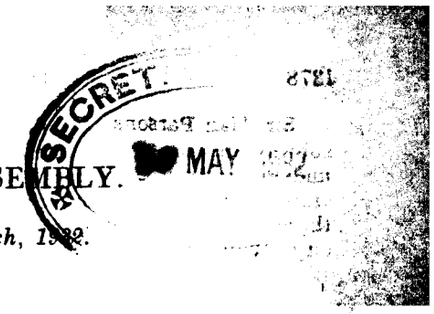
I said in the beginning of my speech that so many promises are made every year and there will be another promise this year also. He did as I thought. Here I may quote one Urdu proverb:

"Yaqin unke wáde per karna parega,
Yeh dánista dhoka to khana parega."

That means, "I will have to trust her promises and deceive myself knowingly once more". Now, Sir, after the assurance given by my Honourable friend, with the permission of the House, I wish to withdraw my motion.

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

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 2nd March, 1932.



LEGISLATIVE ASSEMBLY.

Wednesday, 2nd March, 1932.

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

QUESTIONS AND ANSWERS.

DETENTION OF A TELEGRAM SENT BY SARDAR SANT SINGH.

597. ***Sardar Sant Singh:** (*a*) Is it a fact that a telegram sent on the 18th February, 1932, by Sardar Sant Singh, M.L.A., to the *Daily Telegraph*, Lucknow, regarding the *ex*-Maharaja of Nabha, who is required to reside at Kodaikanal, was detained by the New Delhi Telegraph Office on the ground that it was objectionable?

(*b*) Does the telegram contravene any provision of law including the Ordinances? If so, what?

(*c*) Is it a fact that the contents of the telegram had nothing to do with the civil disobedience movement or the terrorist movement?

(*d*) Do Government propose to take any steps to prevent such a suppression of the right of freedom of speech?

Sir Evelyn Howell: (*a*) Yes.

(*b*) The telegram was rightly withheld under rule 13 of the Indian Telegraph Rules as objectionable.

(*c*) Yes.

(*d*) Government do not propose to take any steps.

A DEFECTIVE RAILROAD SUBWAY BETWEEN BADAMI BAGH AND LAHORE RAILWAY STATIONS.

598. ***Mr. Lalchand Navalrai** (on behalf of Mr. B. R. Puri): (*a*) In connection with starred question No. 265, dated 2nd February, 1931 (regarding defective railroad subway between Badami Bagh and Lahore Railway Stations) put by me, will Government be pleased to state whether any reply has been received from the Agent of the North Western Railway to whom the matter embodied in the said question was referred for consideration?

(*b*) If so, what reply has the Agent, North Western Railway sent?

(*c*) Are Government prepared to issue necessary instructions to remedy the defects stated in the above question?

Sir Alan Parsons: (*a*), (*b*) and (*c*). Yes. The Agent explains that the subway in question is intended for cattle only and that there are two underways both of which take vehicular traffic not far away from it. Improving and widening the subway would be very expensive, and as there are no connecting roads on the side of the railway remote from the city, there is no justification for the work being carried out.

DEPUTATION OF INDIANS TO STUDY SUGAR MANUFACTURE.

599. ***Mr. S. C. Mitra** (on behalf of Mr. Nabakumar Sing Dudhoria): Will Government be pleased to state:

(*a*) whether they have deputed to Java or any other sugar manufacturing country any qualified Indians to study the cultivation and manufacture of sugar at the spot during the last 12 years;

(*b*) If the answer to part (*a*) is in the affirmative, will Government please state:

(i) the number of such Indians;

(ii) the names of such Indians with their qualifications;

(iii) the amount spent on each;

(iv) how those who have already returned have been employed;

(v) how those who have not yet returned are proposed to be employed;

(vi) the names of sugar mills or companies that have employed such experts from abroad?

Sir Frank Noyce: I place on the table a statement giving the required information so far as the Government of India and the Imperial Council of Agricultural Research are concerned. Local Governments have been asked to supply similar information and on receipt of their replies a further statement will be placed on the table of the House.

Statement showing the number of Indians deputed abroad by the Government of India and the Imperial Council of Agricultural Research during the last 12 years for the study of sugar cultivation and manufacture.

Rao Bahadur T. S. Venkataraman, B.A., Indian Agricultural Service, Sugarcane Expert, Imperial Cane-breeding Station, Coimbatore, was deputed by the Government of India to Java for a period of 2 months in 1929 to attend the Convention of the International Society of Sugar Technologists and to study problems connected with the sugar industry. The cost of the deputation amounted to about Rs. 1,400, exclusive of the officer's pay during the period.

Mr. R. C. Srivastava, B.Sc., previously Deputy Director of Industries, United Provinces, now Sugar Technologist to the Imperial Council of Agricultural Research, was deputed by that body to Europe and America for a period of 4½ months in 1930 to study the latest development in sugar machinery, sugar manufacture and sugar technology. The cost of the deputation which was met by the Council amounted to Rs. 12,666.

ALLOWANCES OF CERTAIN DETENUS.

600. ***Mr. S. C. Mitra** (on behalf of Mr. Nabakumar Sing Dudhoria): Will Government be pleased to state the respective amount that has been sanctioned in the case of (1) Mr. J. M. Sen Gupta; (2) Mr. Subash Chandra Bose; and (3) Mr. Sarat Chandra Bose; detained under Regulation III of 1818 as their (*a*) monthly personal allowance and (*b*) monthly family allowance?

The Honourable Sir James Crerar: Allowances totalling Rs. 50 a month have been sanctioned for Mr. Subash Chandra Bose, in addition to a lump allowance of Rs. 60 to meet the cost of necessaries and for the purchase of clothes.

In regard to the two other State prisoners, the Government of India are awaiting a report from the Local Government which they have been asked to expedite.

ALLEGED ABUSE BY THE STATION MASTER, AMRITSAR, OF THE ASSISTANT STATION MASTER.

601. ***Mr. Lalchand Navalrai:** (*a*) Has the attention of Government been drawn to the news published on page 22 of the *Partab* of Lahore, dated 12th February, 1932, regarding the filthy abuses made by the Anglo-Indian Station Master, Amritsar, to his Indian Assistant Station Master while in uniform and on duty? Is it a fact that these abuses are alleged to have been given on a public platform and within the hearing of a big crowd of passengers?

(*b*) Is it a fact that the Indian Station Master has reported the matter to the Divisional Superintendent and has asked for permission to vindicate himself in a court of law? Has such permission been given? If not, why not?

(*c*) Is it a fact that an official enquiry was made into the case without suspending the Anglo-Indian Station Master?

(*d*) Have Government received any complaint to the effect that this Anglo-Indian Station Master at Amritsar is of a quarrelsome nature and very unpopular at his station? If the reply is in the affirmative, why has such a Station Master been allowed to remain at such an important station like Amritsar?

(*e*) Is it not a fact that charges of bribery and corruption have often been brought against him? If the reply be in the affirmative, what action did the officers take on such complaints?

Sir Alan Parsons: Government have seen the article referred to by the Honourable Member. The matter is one with which the Railway Administration is competent to deal and Government do not propose to interfere. I am, however, sending a copy of the Honourable Member's question to the Agent of the North Western Railway who, no doubt, will take such action as he considers necessary.

TRANSACTIONS IN GOLD OF THE GOVERNMENT OF INDIA.

602. ***Haji Chaudhury Muhammad Ismail Khan:** Will the Honourable the Finance Member be pleased to lay on the table of this House a statement showing:

(*a*) the principal transactions in gold held by the Government of India as Paper Currency Reserve, *i.e.*, acquisition, releases and the net balance added or taken off annually since 1921;

(*b*) the supply of sovereigns in India since 1921;

(*c*) the gold bullion absorbed or released by mints; and

(*d*) the gold held by the Bank of England in India since 1921?

The Honourable Sir George Schuster: (*a*), (*b*) and (*c*). The Honourable Member is referred to the annual reports of the Controller of the Currency and on the Administration of the Mints and also to the weekly accounts of the Currency Department.

(*d*) Government have no official information regarding the location of the gold holdings of the Bank of England but, so far as they know, the Bank has not held any gold in India since 1921.

NATIONAL WEALTH, REMITTANCES, INCOMES, PAY AND ALLOWANCES, ETC.

603. *Haji Chaudhury Muhammad Ismail Khan: Will the Honourable the Finance Member be pleased to state:

(*a*) the aggregate national wealth of India, both held by Indians and foreigners since 1921;

(*b*) the remittances by foreigners since 1921;

(*c*) the agricultural and non-agricultural income of India since 1921; and

(*d*) the pay and allowances, Central Government, for civil, military and railways since 1921?

The Honourable Sir George Schuster: (*a*), (*b*) and (*c*). Accurate information is not available.

(*d*) Presumably the Honourable Member asks for the total amounts disbursed in pay and allowances since 1921. The collection of these figures would involve very considerable labour and expense. The Government of India, therefore, are not prepared to supply them.

LEVY OF INCOME-TAX ON RENTS OF UNOCCUPIED HOUSES.

604. *Rai Bahadur Lala Brij Kishore: (*a*) Is it a fact that Government are realizing income-tax on residential houses even when such houses are yielding no income in the form of rents to the owners?

(*b*) If the reply to part (*a*) above is in the affirmative, will Government be pleased to state under what law or rule this is being done?

The Honourable Sir George Schuster: (*a*) I am not sure whether the question refers to property in the actual occupation of the owner or to property intended to be let to tenants but actually vacant. The annual value of property in the actual occupation of the owner is included in his total income, but the sum so included is limited to 10 per cent. of his total income.

In regard to property intended to be let to tenants, an allowance is given on account of vacancies.

(*b*) The procedure followed is in accordance with the provisions of the Income-tax Act.

ADDITIONAL REVENUE FROM INCREASED INCOME-TAX.

605. *Rai Bahadur Lala Brij Kishore: Will Government be pleased to state what additional amount of income-tax over the previous year they will obtain in their 1932-33 Budget estimate from the United Provinces by their increasing the income-tax rate?

The Honourable Sir George Schuster: I would ask my Honourable friend to await the statements which will be circulated with the Budget.

INCOME-TAX ON DUES RECEIVED BY ZAMINDARS.

606. *Rai Bahadur Lala Brij Kishore: (*a*) Is it a fact that Government are realising income-tax on Zamindary-sewai and dues such as Bhusa weighing charges received by the zamindars from their tenants?

(*b*) If the reply to part (*a*) above is in the affirmative, will Government be pleased to state under what rule or law this is being done?

The Honourable Sir George Schuster: (*a*) and (*b*). The Privy Council has held that under the Income-tax Act the tax is leviable on miscellaneous non-agricultural income derived by Zamindars from their tenants such as I understand the Honourable Member to refer to, though I am not actually aware of the exact nature of the weighing charges to which he refers or whether the Income-tax Department include these in the Zamindar's total income.

Rai Bahadur Lala Brij Kishore: Will the Honourable Member kindly inform his income-tax officers that they should not include those *sewai* incomes of Zamindars in assessments for the purposes of income-tax for which they pay revenue to the Government.

The Honourable Sir George Schuster: I am afraid I must ask the Honourable Member to repeat his question.

(The question was not repeated.)

Kunwar Hajee Ismail Ali Khan: Do the Government take the income-tax on the income from agricultural gardens?

The Honourable Sir George Schuster: I am afraid I must ask for notice of that question.

HOLDING OF THE SUMMER SESSION AT NEW DELHI OR SIMLA.

607. *Rai Bahadur Lala Brij Kishore: (*a*) Is it a fact that the opinions of the Members of the Legislative Assembly were asked in the matter of holding the Summer Assembly session at New Delhi or at Simla? If so, how many members gave their opinion in favour of holding the session at New Delhi and how many for holding the session at Simla?

(*b*) Will Government be pleased to state whether the New Delhi session will be cheaper than the Simla session so far as travelling, conveyance and halting allowances are concerned?

The Honourable Sir George Rainy: (*a*) Presumably the Honourable Member is referring to the questionnaire by the General Purposes Sub-Committee of the Retrenchment Advisory Committee appointed by the Government of India asking for the opinion of Members of the Legislative Assembly on the question as to whether the Central Legislature should hold its sessions at Delhi or at Simla or at both these places. On that question altogether 88 Members have expressed their opinions which may be classified roughly as follows:

(i) 39. Members are in favour of the existing arrangement;

(ii) 32 Members are in favour of holding both the sessions in Delhi;

(iii) 9 Members are in favour of holding both the sessions in Delhi subject to certain conditions; and

(iv) 8 Members have adopted a neutral attitude on the question

(*b*) The average cost per day is greater for holding a session in Delhi than in Simla.

Mr. Lalchand Navalrai: Is that the only reason for not stopping going to Simla, namely, that the cost at Delhi is greater?

The Honourable Sir George Rainy: I have merely answered a question as actually put down. I was asked wherein would lie the greater cost and I have given the answer. That is all.

Mr. Lalchand Navalrai: Of course the opinions of the Members were those mentioned, but my question is, what are the reasons for Government not agreeing to stop the exodus to Simla?

The Honourable Sir George Rainy: We are following an arrangement that has been in force for a prolonged period, and no special reasons. I think, for doing so are necessary. The onus of proof I think rests on those who wish to change the present arrangements.

Mr. Lalchand Navalrai: Will you wait till the introduction of the new constitution to enforce it?

The Honourable Sir George Rainy: Yes, possibly, Sir. (Laughter.)

*RESOLUTION *RE* HIGH COURTS.

608. ***Rai Bahadur Lala Brij Kishore:** With reference to Mr. Amar Nath Dutt's Resolution, which was adopted in this House, *viz.*, that the High Courts in India should be a Central subject in the future constitution of India, will Government be pleased to state whether steps will be taken to get it incorporated in the new constitution?

The Honourable Sir James Crerar: A copy of the Resolution and of the debate was duly forwarded to the Secretary of State for transmission to His Majesty's Government.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Mr. President: I have to inform the Assembly that up to 12 Noon on Thursday, the 25th February, 1932, which was the time fixed for receiving nominations for the Standing Advisory Committee for the Department of Education, Health and Lands, only two nominations were received. As the Standing Committee will consist of three members, and only two have been nominated, I declare Rai Bahadur Lala Brij Kishore and Raja Bahadur G. Krishnamachariar who were duly nominated as elected to the Committee and I appoint a further period up to 12 Noon on Thursday, the 3rd March, within which nominations for the third vacancy only will be received. The election, if necessary, will take place in this Chamber on Tuesday, the 8th March, 1932.

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

DEMAND NO. 1—RAILWAY BOARD—*contd.*

Conveniences of the Travelling Public.

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

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

Sir, if I were to give a whole catalogue of the inconveniences in travel which are experienced by the travelling public, especially the third class passengers, I would be depriving other Honourable Members of the claim which they have on the attention of the House. I shall be content at present to bring forward only a few of such inconveniences.

Mr. President, by seeing the long list of cut motions for inconveniences, it becomes clear that dissatisfaction prevails in every corner of this House in this connection. Many of us feel that there are inconveniences of the travelling public. Some of them are of the character which may be removed easily without spending a single pice from the railway purse if the department do not take an obstinate attitude. Some of which are of the character for which very little money is required. Such inconveniences also should be removed. I do not suggest that we ought to undertake big schemes in times of depression and deficit Budgets, but I am perfectly right when I suggest that we should stop doubling of the line between Tundla and Cawnpore or Tundla and Etawa and suggest spending that money for removing the inconveniences of the public. When the traffic has gone down, there is less pressure of work. When there is less pressure of work, there is no justification in doubling a line. Saving of Rs. 12,80,000 is also possible by stopping the building of new quarters for staff. When thousands of your employees have been turned out of employment, for whom do you require new quarters? Spend that money also for removing the inconveniences. Money for the sweet will of the heads of departments is available, but money to spend for removing inconveniences is not available, which is a deplorable fact.

[Mr. M. Maswood Ahmad.]

In this connection, I shall take the question of inconvenient timings first. So far the question of railway timings for the two capitals of Bihar and Orissa, Patna and Ranchi, has not been solved. The result of the last year's promise was that after eight months I received a reply from the railway authorities and that too was unsatisfactory. My Honourable friend Sir George Rainy is a Bihar civilian and Bihar has a claim upon him. I hope my Honourable friend Mr. Amar Nath Dutt will excuse me for saying this. I request the Honourable Sir George Rainy through you, Mr. President, that he should see that a longstanding grievance of Bihar is removed before he leaves this country, so that one of the four passenger trains running between Patna and Gaya is converted into an Express train, and the timings from Patna to Ranchi are so arranged as suggested by me in my last year's speech. Another example of inconvenient timings was brought to my notice only this morning, and with your permission, Sir, I would like to mention it. For the last few years the 16 down E. I. R. Express used to give connection with the Agra-Bareilly up passenger at Aligarh. That was the only and most convenient train for third class passengers especially who wanted to go to Bareilly from Delhi after finishing their day's work. But according to the new time table, which came into force on the 1st March, the 16 down Express, which is timed to leave Delhi at 22·50, will not give connection with the Agra-Bareilly up passenger at Aligarh and thus it will be a source of very great hardship to the third class passengers. Do the railway authorities expect to get money by providing inconveniences to the travelling public? Are so many time table experts engaged on such fat salaries simply to give trouble and cause hardship to those who contribute to pay them? Is it fair, I ask? To my mind, the amenities to the travelling public should be the first object of railways, and if they will neglect it, I am certain that they will be miserably failing in their duties. Sir, on many sections there is only one up and one down train. The inconvenience caused is obvious. Not only is the revenue lost to the railways, but the travelling public is put to much trouble and inconvenience. I take a particular example to illustrate my point. There is only one train in the up direction and one in the down direction running between Burwadih and Gomoh Junction on the Sone East Bank Gomoh sec. E. I. Ry.—a distance of 155 miles.

Mr. G. Morgan (Bengal: European): May I ask the Honourable Member whether the Railway Board exercises supervision over all the time tables of various railways?

Mr. President: The Honourable Member cannot be expected to give an answer to that question. Please go on.

Mr. M. Maswood Ahmad: My Honourable friend, Mr. Hayman, may say again that I am incorrect and so I shall refer him to page 59 of the E. I. R. time table. If a passenger wants to go from Sone East Bank to Gomoh or from any intermediate station to another intermediate station in the morning, he has no train in which to travel. He can only travel by the solitary train, No. 2-G. S. Down, which leaves Sone East Bank at an inconvenient hour of 1-49 A.M. Similarly if any body wants to travel in the evening from Gomoh to Sone East Bank, he is debarred from doing so. There are many other sections on which this state of affairs exists, but I shall not tire the patience of the House by giving a list

of them. What I want is that there should be at least two passenger trains in every direction on all the sections. If traffic necessitates the running of more trains, Express trains should be provided. Express trains must run over those sections which require more than two trains.

Sir, I have also to draw the attention of the Railway Board to the quality of food that is supplied to the passengers at the railway stations. The necessity for the improvement and preservation of the health of the Indians is such an important question that it should attract the attention of all. Adulterated food supplied at railway stations is really undermining the health of Indians. The Railway Administrations ought to see that the supply of bad articles of food is forthwith stopped. There are many stations where there are no vendors for the supply of food. A very large section of the Muslim community called the Shias does not eat anything except when it is prepared by a Muslim. Muslim vendors should be appointed and Muslim tea stalls should be opened on every big station. This sect corresponds to the orthodox community amongst the Hindus.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): We have two hundred sects. Do you want as many amongst you?

Mr. M. Maswood Ahmad: I do not want that, but our religious sentiments too should not be disregarded. Now, Sir, the contract for betel supply should be given to the Muslims also. Mr. President, the licence for the supply of betel by a Muslim at Gaya was recently cancelled by the Divisional Superintendent of Dinapore on the ground that there is no other Muslim betel-seller on any other station of the Dinapore Division and hence there was no necessity at Gaya too of a Muslim betel-seller. What a satisfactory ground is that on which the licence was cancelled? I myself addressed the Divisional Superintendent of Dinapore in this connection, and his reply was so absurd that I shall not place it before this House. Then, Sir, I wrote a letter to the Railway Board and the reply was that this was a local matter.

Sir, the question of overcrowding is brought to the notice of Government every year, but there seems to be no improvement in this connection. The railway authorities should not treat those who pay the largest amount of money to them like flocks of sheep. Then, Sir, there is the question of water supply at stations. Though much has been done in this connection, still much more remains to be done and I urge upon the railway authorities to further improve the supply of water at various stations. I have personal knowledge between Bareilly and Ranchi, where I have seen many water tanks labelled not for drinking purposes, but when I asked the station staff where I could get water for drinking, I could not get any reply.

Third class passengers, Sir, are put to much inconvenience owing to the absence of waiting sheds at many important stations. They are forced to face all sorts of inconveniences such as the chill of the winter and the sun of the summer and still nothing seems to have been done for the provision of these sheds at many stations. This should be done without losing any more time wherever possible.

Mr. President, to sum up, what I ask is to make improvements in the water supply, provision of more waiting sheds, avoiding of overcrowding,

[Mr. M. Maswood Ahmad.]

improvements in the inconvenient timings of the trains and the appointment of Muslim vendors and betel-sellers at stations.

Mr. President, the list of inconveniences of the public travelling to and from Patna, the capital of Bihar and Orissa is very long. Luckily its own man is in charge of the Railway Department. I remind him as an officer of my province that if in his reign these troubles are not removed they will not be removed for a long time.

The first grievance is that the Indian refreshment room in Patna is far off from the platform. Small rooms should be built for this purpose or one or two rooms should be vacated for this purpose. I am ready to help the Divisional Superintendent of Dinapore if he visits Patna Junction with me.

The second suggestion is that a first and second class composite bogie should be attached from Patna to Delhi and *vice versa*. There is no trouble in accepting this suggestion. At present two bogies run between Sealdah and Delhi by 13 up and 14 down express trains. One of the two bogies may be attached at Patna. As many trains leave from Howrah the public will not feel it.

The third suggestion is that one of the four passenger trains running between Patna and Gaya should be made an express train. The Agent of the East Indian Railway wrote to me that as it was a 57 miles run only, there is no need of an express train. I say Lucknow is only 37 miles off from Cawnpore where four expresses and one mail train run at present. The other point is, Sir, that it takes fully three hours to travel this short distance of 57 miles only. If we can save one hour, or even half an hour, it will be a saving to the Railway Department also on coal and allowances to guards, etc. For this suggestion also not a single pie is required.

Then, Sir, the fourth suggestion is that the bogie which is attached from Howrah to Dehra Dun in the 1 up and 2 down mail trains is not of much use when from Howrah an express train runs to Dehra Dun. The mail train passes at night from Asansol to Patna Junction having four stoppages —Madhupore, Jhajha, Keul and Mokamah only,—and up to Asansol the Dehra Dun express runs on the same line. The 1 up mail passes very early in the morning from Patna, and so it is very difficult to catch the train. At the same time, Mr. President, when passengers use the bolt from inside it becomes very difficult to awaken them. Sir, on some occasions in trying one compartment after another the time is over, and the train runs away. Sir, the bogie from and to Dehra Dun should be attached to the mail train at Patna Junction. Sir, the fifth trouble is this, that there is no inter class waiting room on the platform. There is one shed which may easily be converted to such waiting room without much cost.

Mr. President, if the Railway Department are really solicitous about the comforts and conveniences of the travelling public, I would commend these few suggestions for their consideration, and with these words I move my motion.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I rise to support this motion, and my grievance is with regard to there being no direct train between Karachi and Lahore *via* Dadu. Sir, it is well known

that there are two routes to reach Lahore from Karachi. One *via* Pad-Idan-Rohri; another that connects Rohri *via* Kotri-Dadu. This line *via* Dadu was the original main line. There was no line *via* Pad-Idan and this Dadu line was the only line by which all trains ran. Then subsequently a line was constructed *via* Pad-Idan and since then this Dadu line is considered by the Railway authorities as a loop line and the conveniences on this line are far from satisfactory. So far as a direct communication is concerned through that part of the country there ought to be a direct train which should take to Lahore within as much time or a little more than *via* Pad-Idan. At present there is no train at all which takes direct *via* Dadu. One has to start from Dadu at about 1 o'clock in the day, reach Rohri at 11 o'clock at night and then wait to catch the Karachi mail at 4 o'clock in the morning. Sir, this is a great inconvenience and it is not the first time that I complain of it, but as a last resort I have been forced to mention it in this House. Sir, there is an advisory local committee for the Karachi division. I do not propose at present to enter into the functions of the Advisory Committee or as to whether the opinions of that Advisory Committee are accepted or not. That is the question which I will deal with separately later on on an appropriate cut, but my point at present is to bring to the notice of this House that that Advisory Committee has also cried itself hoarse over this question, but the Agent stands stiff as an autocrat does. It has been brought to his notice—and he knows full well—that there used to be actually a train directly running between Karachi and Lahore *via* Dadu. That was stopped for no reason and subsequently they provided some kind of convenience by running certain carriages direct to Karachi to avoid transhipment at odd hours at Kotri, but that convenience too has been snatched away and the reason that they give is that there is not a sufficient number of passengers travelling first and second class on that side to merit a direct connection. Sir, as a matter of fact a large number of passengers does travel by that route, but granting and assuming that they do not in a large number, yet the railway is bound to meet the conveniences of even a few. The way in which they make the calculation is not satisfactory. They send an officer to take a census of people travelling. He finds a smaller number of travellers on some days, larger on the others but he totals up to strike an average and reports the paucity of passengers. That is not the proper criterion for refusing a convenience. The railways are not only to increase the rates and fares, but they are bound to give convenience. It may be that the income on some lines may not be commensurate with the amount of convenience needed, yet it must be given. That question however does not arise with this line which is very productive. Therefore I ask that the Agent should give way now and provide us with a direct convenient train. I know that in the time table which is coming into force from the 1st March 1932 a train has been provided for *via* Dadu to run direct to Lahore, but it will be a useless train. It will be a train taking 48 hours, or even more, to reach Lahore. It will run like a snail. That is not the sort of a train that is wanted . . .

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Does a snail run?

Mr. Lalchand Navalrai: As Anglo-Indian trains they do. (*Lieut.-Colonel Sir Henry Gidney*: "Then they must be good and fast trains.") My point is that that train will not be useful at all. My suggestion is that

[Mr. Uppi Saheb Bahadur.]

Recently in some places they have placed a few old wagons, and they too are meant only for officers. They do not care for the travelling public at all. Even in towns like my place, Tellicherry, they have got only one waiting room for upper class passengers—for men, women and children, and they all have got to use only that waiting room. Sir, Tellicherry is a very important station on the West Coast. The result is that when ladies come in, the men have to stand out sometimes in the drenching rain. You know Malabar has very heavy rain, and in the monsoon season gentlemen have to stand in the drenching rain. The third class passengers also, when they are let in into the platform, have no place to take shelter in in the drenching rain or in the burning sun during the summer season. Then, Sir, you will find here and there arrangements for drinking water; it is only done for name's sake. Very often we cannot get water on the platform in small stations.

The third class compartments on the South Indian Railway are always congested, and it was on one of their wagons that the famous train tragedy occurred, and it is a wonder that more train tragedies are not occurring on the South Indian Railway. They do not care not only for those who travel in their trains, but even for pedestrians. If you take into account the number of accidents which occur at level crossings, you will find that on no other railway in India have accidents of such a very serious nature taken place as on this railway. Sir, in the city of Calicut the train runs across the main bazaar, and they keep the gate closed for 20 or 30 minutes at a time, with the result that both sides of the gate are congested with ordinary carriages and men, and very often accidents occur there. The public of Calicut have been crying for an overbridge but the railway has so far turned a deaf ear to it. Sir, the traffic along that road is the highest in Calicut, nay, in Malabar. The gate is very near the railway station. They not only close the gate when the trains are expected, but they keep the gates closed when shunting is going on and that may take an hour or two. In this way, I am forced to bring these grievances to the notice of the Railway Member and the Railway Board, and I hope they will redress our grievances who are far away from their sight and who very rarely bring any grievances to their notice. Sir, I support the motion.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): Sir, in supporting this cut, I want to confine my speech to the inconveniences felt by third class passengers. The Railway Administrations are dependent on third class passengers for their earnings, and in spite of the fact that they are their best customers, the railways do not care for their comforts. Let me give the number of passengers who travelled in the different classes of accommodation and the income derived from them.

Class.	No.	Income.
		Rs.
1st class	744,200	92 lakhs.
2nd class	8,323,900	1,64 lakhs.
Inter class	16,196,600	1,38 lakhs.
3rd class	539,544,400	28,72 lakhs.

These figures show that 90 per cent. of the income is derived by sale of tickets to the 3rd class passengers, but we ignore the comforts of these persons who pay us the most. This is a hard lot, though they are the

greater taxpayers and the main pillars of the administration on which the railways of India stand. Sir, I had on several occasions to observe that the third class passengers are treated no better than sheep in a fold. Compartments which can hardly accommodate 20 persons are often packed up with treble that number, and their condition will surely remind one of the historic tragedy of the Black Hole. I submit that the benefits of the system of administration should descend to the masses and should not be the monopoly of a few. I also bring to your notice that the income derived from second class passengers is about double that derived from 1st class passengers, and therefore the accommodation for second class passengers may be increased and 1st class accommodation diminished to that extent and the bogies should be refitted.

Sir, according to the statement of the Honourable the Railway Member, out of the total deficit of Rs. 9½ crores, Rs. 2 crores are due to the loss of earnings on the strategic lines. But, Sir, strategic lines are mainly meant for military purposes, and therefore it will be quite justifiable to include them in the Military Budget instead of adding them to the Railway Budget.

Mr. E. F. Sykes (Bombay: European): If the Honourable gentlemen who find inconveniences in railway travelling were to go with me into the part of the country I live in, they would find out for themselves the amount of inconvenience endured by the people while travelling by road. Sir, last Sunday when I went down to my place, I met a very large number of bullock carts, each containing 10 or a dozen persons, men, women and children,—all of them very happy, singing their homely songs, and as gay as any one can be. Later in the day I came to the railway station and the train came in, and I noticed the demeanour of the passengers and compared it with that of the travellers by bullock carts. Now, this is an important matter in which our Indian Members can be of great assistance, because I am quite sure that if they can tell why travellers by bullock carts without any shelter for sun, wind or rain, are happy and contented, while those by trains are miserable, it would be a great advantage to the railways concerned. I had myself once endeavoured to do something in the matter. I consulted a very experienced traffic officer, and my view was that the inconvenience is mainly because they are called upon to sit on unaccustomed and inconvenient benches and are not able to arrange themselves in family groups in the same manner as they do in bullock carts. I suggested that in all third class carriages we should remove the benches and plaster the floor with some of the new flooring compositions which are not damp or cold. Unfortunately, he met me with the objection that owing to the diversity of passengers and the variations in sanitary habits it would not be possible to do so. Sir, nothing can be done without the assistance of my Honourable friends. I remember in the last century I was supervising the construction of a new railway station. I was rather young then, and I had the standard plan of the quarters for the Station Master and the Assistant Station Master. I did not consider them comfortable, and I asked the overseer whether he thought they were comfortable. He did not consider them comfortable, and I asked him, why don't you help me to produce a design which will be comfortable? I got no suggestions from him. Subsequently my direct connection with railways has been rather intermittent, but I believe that things are still not very different.

12 Noon.

[Mr. E. F. Sykes.]

What I would like to emphasize is that the superior officers in the railways being for the present mostly Europeans, none of these questions can be properly solved without the assistance of experienced and thoughtful Indians, and if Members of this House could form themselves into a committee and study these questions and put forward suggestions based on their joint study, instead of reiterating the same complaints, I think things would be a good deal better for all concerned.

Mr. S. C. Mitra: I support the motion of my friend Mr. Maswood Ahmad who is trying to better the lot of the travelling public on railways. From the general standpoint, I find that the finances of the railways are going from bad to worse. I further appreciate that during the last few years there has been some improvement in the condition of the travelling public, but I still contend that there is room for further improvements. I find that the reserve of 18½ crores has been exhausted and it is evident that there may not be sufficient money now to improve the condition of the travelling public owing to financial stringency. The reserve is meant for lean years and the Honourable Member said that they had exhausted it to meet the exigencies of the occasion, but I am afraid he cannot justify the depletion of the Depreciation Fund. The amount set apart every year in the Depreciation Fund is necessary to put the railways in proper repairs. When you encroach on the Depreciation Fund, it is not like payment out of any reserve funds but really you are borrowing the amounts which must be paid off in future. The Honourable Member cannot hold out hope of larger earnings in the next three or four years, and so if we drain off this money in the Depreciation Fund it will be a serious matter. This 14 crores which is accumulated now will be exhausted within two or three years and with its disappearance the rolling stock will go from bad to worse, having no money for repairs and replacement. That is a point to which I draw the attention of the Honourable Member, who will I trust explain what will happen in the future if the Depreciation Fund, which is meant for a particular purpose, is employed to serve a different end.

As regards third class passengers, my friend Mr. Brij Kishore has just now said that the third class passengers pay 90 per cent. of the income of the railways and their convenience should be the special concern of the railway authorities. As regards Mr. Ahmad's suggestion that there should be arrangements for drinking water for all the different communities, I think that is impracticable.

Mr. M. Maswood Ahmad: I said only at big stations.

Mr. S. C. Mitra: As regards big stations, there may not be much difficulty as regards the Muslim community, because they are broadly divided into Shias and Sunnis, but if you take the Hindus it will be a hopeless task to provide for every sect of the community which may demand food prepared by a member of the particular sect and no other. For instance, my Honourable friend Mr. S. C. Mukherjee comes from such an orthodox family and he will not take any food or drink supplied by anybody, even by the purest Brahmin in a railway station unless he gets a chance to have a bath in the Ganges or the Jumna and the food is prepared by his own people. In such cases, it will be necessary for the railway authorities to provide a haltage and cooking accommodations, at every 200

miles; but the main point still remains that there is need for adequate water supply for passengers, particularly in the summer season. The point has been brought out before. Things have improved to a certain extent. That must be admitted. The other point is about the insanitary and unclean conditions of the latrines, particularly in the third class compartments.

Then another point is about the provision of fans in third and inter class compartments. Some people will think it a luxury, but those who travel in summer in up-country, in the U. P. and Delhi, know how essential it is to have a fan in the mid-day. I do not say that like first class passengers you should have a fan for every passenger, but in a big bogey you can certainly fit up one or two fans for the convenience of a large number of passengers. As the electric installation is there, there will not be much cost to provide a few extra fans.

Then another point is about the booking rooms for third class passengers. In big stations there is a big crowd, and sometimes these people have to bribe the police officers to purchase tickets. In big stations, there ought to be better arrangements for selling tickets to third class illiterate people. As regards waiting rooms at junctions, especially where there are steamer connections, I find that my friend Mr. Anwar-ul-Azim has given notice of a motion, and I think he will explain the inconvenience we in Eastern Bengal feel in the Goalando and Chandpur Stations for want of waiting rooms.

The treatment by the lower class railway officials is often rude. I do not think that the mere issue of rules and instructions would help very much in this matter, but if there are general instructions that railway servants like other public servants should cultivate the habit of treating everybody politely and look after the conveniences and comforts of railway travellers, that will help to effect a great improvement in the present condition of affairs. Nowadays the number of trains has been curtailed. There is overcrowding in third and inter classes. The authorities must retrench as much of course as they can but they should not forget that the third class and inter class passengers contribute the largest earnings and they should not be crowded like cattle. Well, if there is no room for sleeping, let them have at least sitting room or at least standing space. These are the different heads to which I think the attention of the railway authorities should be drawn, and they should try as much as possible, even in these days of great financial stringency of the railways, to meet the primary wants of the lower class travelling public.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, I look upon the question of the conveniences of the travelling public from a different point of view to that of some of my friends. They seem to think that we should appeal to the charitable instincts or kindness of my friend, the Honourable the Commerce Member, and thus move some sympathetic chord in his heart. I look upon the matter, Sir, as a business proposition. Last year we heard it said that if you raise the fare of the first class man, he quietly goes down to the second class, and that if you raise the fare of the second class man, he goes down to the inter or third class, but what does the third class man do? (*An Honourable Member*: "Let him travel without tickets.") That he often does. Sir, if you want to keep your railway earnings, you have a serious rival in the field, *viz.*, the road transport motor bus, and the providing of conveniences for the travelling public is therefore a mere business proposition, and you must

[Mr. Jagan Nath Aggarwal.]

face it in a business-like manner. A person with a rival in the field should see to it that his custom does not go away from him, and from that point of view, a few suggestions would certainly not be out of place, because, in the first place, either they would attract more custom or keep that with the railways which they have already got, or at any rate put their rivals in difficulties. From that point of view, the interests of the third and the inter class passengers must come first because they provide the largest amount of earnings for the Railway Budget. From that point of view—and my experience is confined to the North Western Railway about which only my friend, Mr. Lalchand Navalrai, spoke and nobody else—I submit that a few improvements are possible in a good many directions. First and foremost, during the hot summer months they need really more air and water. Sir, in some parts of the Punjab and Sind in the summer months, travelling becomes a very great trial during the day, and overcrowding is not an unknown or infrequent phenomenon in that part of the country. If that is so, you can very well imagine the state in which people have to travel when overcrowding goes hand in hand with the terrible heat, when moreover the stoppages are few and far between and the supply of water scanty. Sir, it is within the experience of all of us that various charitable societies sometimes take the trouble of sending their volunteers for supplying water, but such supply should only be additional supply and the railways should not divest themselves of their responsibility for supplying good clean water in ample quantities to all trains which stop at these stations and this is a matter to which the attention of the Railway Board should be drawn not as a formality but as a serious matter of public convenience.

The other difficulty of providing more air in these carriages is a matter of some importance. Previously the first and second or inter class carriages used to have fans. Sir, electric energy is not a matter which is very costly, because the railways can produce their energy on the train, and if in these third class carriages a fan or two fans are installed, that will keep these carriages much more clean and healthy and make them comfortable. In this connection it would be well to look to comforts of the travelling public because, apart from adding to the comforts and conveniences of the travelling public, it would make the railways more attractive and so more paying. This principle should not be observed only in the case of the higher-class travelling public.

Then with regard to the cleaning of these carriages, one sometimes is amused to find the great efforts made by the cleaning staff to clean the outside of the railway carriages. You have a brush and the scrubbing goes on very beautifully from the top downwards, but, alas, all the filth and dirt is hidden away inside below the cushions on the floor and no attempt is made to clean it. (*An Honourable Member*: "Third class carriages have no cushions.") No attempt is made to clean the lavatories which are in an awful condition in the third and inter class carriages, although from outside the carriage is very clean.

Then there is another trouble of the travelling public in connection with these long journeys. The first and second class carriages are duly detached from one train and attached to another for long journeys, but the poor third class man has to get out at all sorts of unearthly hours and change from one train to another, and he goes from one platform to another inquiring of everybody without there being anybody on the station to help

him. Sir, when large sections of people have to change from one train to another, it is certainly expected of the railway people that they should provide simple conveniences for these journeys. Previously we had a large number of third and inter class through trains running corresponding to the mail trains, but recently these facilities have been withdrawn. This matter, I submit, requires looking into.

Then, very often at booking windows you find huge collections of people, the reason for that being not that people arrive late; oh, no, there are places where people arrive in the mornings while the trains are to leave in the evenings; but the booking windows will only open 15 minutes before the starting of trains. These booking clerks have developed a way of their own. They think it is having too much of a worry to dispose of more than six people within an hour. They will take their own time, and if anybody comes and asks them to dispose of the huge collections of waiting people, they look upon that as a sort of unnecessary burden. They think ten or twelve people are the utmost to dispose of in an hour. Then if you ask them for changing a note for Rs. 10, they think it is a nuisance, not to speak of a note for Rs. 100. Compare all this, Sir, with the state of affairs in Western countries. There you will find the booking office business has almost become a fine art, and only such people are employed there as can meet the wants of the travelling public smoothly and with convenience to them. But here, however lazy and inefficient and indifferent a booking clerk may be, he is all right in his job. Here people who can show an aptitude for handling passengers should be selected and put in charge, especially at places of great rush. Sir, at places like Hardwar, where thousands of people ought to be disposed of quickly on occasions of fairs, you will find a booking clerk who does not do more than 10 or 20 bookings in an hour. Then people have to pay porters heavy tips for getting anything done or carrying their loads. Then there is a matter of more personal interest which I wish to mention. Large numbers of my friends like myself have always felt that because of the odious charge for reservation of first and second class berths, one cannot successfully book seats on the phone, because you cannot pay the reservation fee on the phone and you must travel 5½ miles, for instance, to the Delhi Railway Station or a mile or so to the Lahore Railway Station for the sake of having your seat reserved because the 8 annas fee cannot be sent by phone.

Sir, if you are charging so much for your first and second class, perhaps eight annas might be deemed to be included in the charge. If you can give the number of the ticket on the telephone that should be deemed enough. But the station staff says no, and asks us to send our servant along with eight annas. I submit that so far as the convenience to the travelling public is concerned, I respectfully put it that this is a matter which requires looking into, and that reminds me of the Members of the Railway Board and the Financial Commissioner that they should sometimes take to travelling like ordinary people. I do not say that they should travel in third class compartments; that would be rigorous imprisonment, but I want that they should travel like ordinary first and second class passengers. If they phone to the station, they will get the reply that there is no room, and they could travel the next day. If they go to the railway station without having booked a seat, they will then see if there is overcrowding. If they are in difficulties and if I happen to be in the train, I will certainly make room for the Members of the Railway Board. And I promise that even if I may have to keep awake the whole night.

[Mr. Jagan Nath Aggarwal.]

Sir, the least they can do is that they should travel as ordinary passengers unnoticed and unknown. With these words, I support the cut proposed.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I suppose this is the fifth occasion on which I have had to deal with this topic in connection with our annual Budget discussions, and I do not doubt that my successor will have to deal with it at least as often.

Mr. S. C. Mitra: Till the grievances are removed.

The Honourable Sir George Rainy: Because, Sir, whatever we may be able to do at present in the way of improving the conditions, I think that man would be a great optimist who supposed that we shall ever arrive at a time when all the railway passengers would be thoroughly satisfied and pleased. I think that would be an unduly optimistic view. To begin with my Honourable friend, Mr. Maswood Ahmad, (I have forgotten who was the author of the phrase perhaps it was Mr. Amar Nath Dutt) tried to find his way to the "soft spot". Well, Sir, though it would undoubtedly give me great personal pleasure if, before vacating office, I could do something for my old province, I have to remember the oath that is taken by Members of Council and the words "without fear or favour". Therefore, in trying to execute my duties as the Railway Member, I am to be impartial and not show special favour to special localities. One of the points taken by my Honourable friend was this. He put it in a particular form that between two particular stations which he named—Sone East Bank and Gomoh—there was only one through train each way during the day and at a very inconvenient time. Other similar cases, if not identical, were brought to notice by other Members, like my Honourable friend Mr. Lalchand Navalrai and by others whom I need not name. Now, in so far as it is merely a question of the absence of trains on a particular line between particular stations, I think all Honourable Members would agree that that is not a matter which we can possibly settle up here, and that it must be left to the Railway Administrations, subject of course to the pressure which their local Advisory Committees may be able to bring to bear.

Mr. Lalchand Navalrai: If that fails?

The Honourable Sir George Rainy: I recognise, however, that there is a general question, and it is this, that owing to the necessity of retrenchment, it has undoubtedly occurred that within the last year we have had to reduce the number of through trains. Personally, I do not see how, if economy was to be observed, that necessity could be avoided, and for the time being until things improve, passengers are likely to be exposed to greater inconvenience than they were a year or two ago. But we have to regulate the facilities we provide in accordance with the traffic offering. Sometimes I do not doubt mistakes will be made and in course of time this will be found out and rectified. But undoubtedly this period of depression and retrenchment does mean this, that in matters like the number of through trains that are run from one place to another, the facilities will be less than they were two or three years ago.

Every Member of the House who has spoken has drawn attention to a very large number of matters affecting the convenience and comfort of

passengers generally, and of third class passengers especially. I have listened with care to everything that has been said, and there was hardly a matter mentioned—I certainly could not name one at the moment—which I have not personally discussed with Members of the Central Advisory Council in the effort to devise means by which we could gradually effect improvements. The conclusions of the Advisory Committee—and I think in nearly every case we were able to accept those conclusions—were communicated to the Agents, and I believe that, we had begun to make a real advance as my Honourable friend, Mr. Mitra, admitted. It is one of the tragedies of the period we are passing through that, just when it seemed that we might be getting a move on, the trade depression comes along, and in so far as the provision of increased amenities involves larger expenditure in the railways, all our hopes for the time being are very nearly frustrated. That does not apply to all the matters which have been mentioned, but I am afraid it does apply to at least one mentioned by two speakers, namely, the provision of fans in third class and intermediate carriages. That is, by no means, a cheap business, and I am afraid to incur the expenditure that it would involve could not at present be contemplated. On the other hand, there are things like the quality of the food supply, and the provision of an adequate supply of drinking water at the stations, which do not necessarily involve expenditure. Sometimes the provision of water, it is true, might involve expenditure, but on the whole these two things are matters where there is not much expenditure involved. What is required is closer supervision and a real desire to see that the food supplied is eatable and that the drinking water supplies are adequate. These are the two matters I will certainly bring to the notice of the Agents again, because they are not questions that you can solve once for all, and it is only by continuous pressure that you can effect improvement or even maintain the standard to which we have already reached. As for most of the other questions, I think the best thing I could do would be to circulate the debate to Agents and ask them to consider the various suggestions which have been made by Honourable Members in consultation with their local Advisory Committees, and let us know in due course what the opinions of those Committees are, and how far they have been able to give effect to them. That I think would be the most practical thing I could do. But as it is only about 12 months since our discussions with the Central Advisory Council terminated, I rather doubt whether any particular purpose would be served by bringing it before the Council. But if any individual Member of the Council thought that a particular matter could usefully be discussed there would be no objection to that on the part of Government.

Now, Sir, I turn to one or two of the minor points that were raised. I am not sure that I agree with my Honourable friend Sir Hugh Cocke that he made out a very strong case for stopping through trains at suburban stations, on the ground apparently that it would encourage suburban development. I should have thought myself that an adequate provision of suburban trains was more important in that connection, because I doubt whether a man's choice of residence would very often be determined by the consideration,—let us say if he was living in Bombay—by the consideration whether the trains from Delhi ordinarily stopped at Bandra. Also I might point out that it may not be necessary to go by car to your home if you have to go to the terminus. If there is an adequate supply of suburban trains it may be possible to go in one of those trains. Finally,

[Sir George Rainy.]

it has to be remembered that on crowded sections of the line, such as the main lines running into Bombay, the time table requires very careful arrangement if the traffic is not to be delayed, and there is a limit to the number of stoppages that can be made.

I was interested in what fell from my Honourable friend Kumar Raghubir Singh, and particularly in the fact that he attributed the jerkiness of the trains to the substitution of State-management for Company-management. (Laughter.) I must say, Sir, that was to me a new light upon the subject (Laughter) because it had never occurred to me that amongst what my Honourable friend Sir James Crerar would call the "anfractuosities" of State-management, the jerkiness of the trains was not one of those which I had noticed. He also complained apparently that another result of the substitution of State-management was that people came and asked to see his tickets much too often. I have often had that feeling myself, not in this country so much as in Great Britain, where they are pretty strict about looking at your ticket and demanding to see it, and then turning you out if you have not got it. But after all it is surely the duty of any administration to see that people do not travel without tickets and without paying and thereby defraud the railway; and I cannot admit that this is a very serious grievance.

Then, Sir, there is another matter that I should like to allude to and that is the question of the attitude of the railway staff to the third class passengers, and of the great desirability of according them considerate and courteous treatment. I have the greatest sympathy with the complaints that are made on that score. I have always done what I could in the way of taking that matter up and sending down suggestions and so on. I remember I dealt with it rather fully in one of my Budget speeches, I think perhaps two years ago, and I entirely agree with what fell from one Honourable Member, namely, that courtesy and polite attitude from all superior officers to their subordinates is a very admirable example, and if that attitude is adopted in the hope that it will gradually pass down from one grade to another, a general improvement will be effected. I have always felt extraordinary admiration for the British railway servants in that respect, the amazing combination of efficiency and courtesy with which one is treated when one travels in Great Britain. I do not doubt that whatever deficiencies there may be in that matter in India, we shall, as time goes on, see a continuous improvement; but I should like to make it plain that there are already in existence standing instructions on all railways requiring their staff to give all assistance that they can to the third class passengers, and this is a matter to which, as a result of this debate, I am quite prepared to address the Agents. It is not merely a matter of issuing circulars or suitable instructions, however. If things could be put right in that way then we could all of us do a great deal of good in this world. But it is a matter in which you can only effect improvements gradually and by harping on the same string again and again. It is that which makes this annual debate a really useful institution, because it does give an opportunity of drawing attention to matters where improvement is possible, and gives Government an opportunity of passing on what Honourable Members have said.

I have also great sympathy with what has been said about improved arrangements for booking, although I am not quite sure where I am to find

those persons with particular aptitudes whom I am told I ought to appoint as booking clerks. Unless we hold some sort of selection committee, such as the selection committees for the navy, asking very subtle questions and trying to find out this natural aptitude, I am not quite sure how we are going to get them. But that again is a matter which was very fully considered by the Central Advisory Council. Of course we all recognise its importance and I am afraid that it may be one of the things which on account of retrenchment we have rather had to put on one side.

I do not know, Sir, that there is very much more that I can usefully say; but I should like to make it very plain that we are fully conscious of the importance of these matters which have been brought to notice and that, subject to the financial exigencies of the moment, we shall be very glad to do what is possible to effect improvements in the directions indicated in the course of the debate.

Mr. M. Maswood Ahmad: Sir, I do not want to make a long speech in reply but I wish to say this, that I do not want any favouritism from the Railway Board in the case of Bihar province. I do not want any partiality, I want bare justice; and my case was that the case of Bihar has always been overlooked and my Honourable friend also should not overlook its claims. If he thinks that to do justice is partiality or begging of favouritism then I cannot say anything more about it.

I did not raise the question of the Shia community to raise any communal bitterness but only to draw attention to the fact that there is a sect amongst ourselves also who observe religious strictness and generally do not take things unless prepared or given to them by Muhammadans only. If there is any doubt about my motives, I hope this explanation will remove it.

Sir, the question of inconveniences of the travelling public is very general and very common, as you have heard from the speeches from all quarters, and so I do not want to withdraw that point or add anything to my previous speech. Sir, I press my motion.

Mr. President: The question is:

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

The Assembly divided:

AYES—33.

Abdul Matin Chaudhury, Mr.
Abdur Rahim, Sir.
Anklesaria, Mr. N. N.
Anwar-ul-Azim, Mr. Muhammad.
Azhar Ali, Mr. Muhammad.
Badi-uz-Zaman, Maulvi.
Chinoy, Mr. Rahimtoola M.
Dutt, Mr. Amar Nath.
Gidney, Lieut.-Colonel Sir Henry.
Ismail Khan, Haji Chaudhury Muhammad.
Isra, Chaudhri.
Jadav, Mr. B. V.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Liladhar Chaudhury, Seth.
Maswood Ahmad, Mr. M.
Mitra, Mr. S. C.
Mujumdar, Sardar G. N.
Murtuza Saheb Bahadur, Maulvi Sayyid.
Pandit, Rao Bahadur S. R.
Patil, Rao Bahadur B. L.
Raghubir Singh, Kunwar.
Reddi, Mr. T. N. Ramakrishna.
Sadiq Hasan, Shaikh.
Sen, Mr. S. C.
Shah Nawaz, Mian Muhammad.
Singh, Kumar Gupteshwar Prasad.
Sitaramaraju, Mr. B.
Suhrawardy, Sir Abdullah.
Sukhraj Rai, Rai Bahadur.
Thampan, Mr. K. P.
Uppi Saheb Bahadur, Mr.
Wajihuddin, Khan Bahadur Haji.

NOES—42.

Abdul Qaiyum, Nawab Sir Sahibzada.
Acott, Mr. A. S. V.
Allah Baksh Khan Tiwana, Khan Bahadur Malik.
Allison, Mr. F. W.
Azizuddin Ahmad Bilgrami, Qazi.
Bajpai, Mr. R. S.
Banerji, Mr. Rajnarayan.
Bhore, The Honourable Sir Joseph.
Brown, Mr. R. R.
Clow, Mr. A. G.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crerar, The Honourable Sir James.
Dalal, Dr. R. D.
Fox, Mr. H. B.
French, Mr. J. C.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Hayman, Mr. A. M.
Heathcote, Mr. L. V.
Howell, Sir Evelyn.
Jawahar Singh, Sardar Bahadur Sardar.
Macqueen, Mr. P.
Misra, Mr. B. N.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank.
Parsons, Sir Alan.
Rafiuddin Ahmad, Khan Bahadur Maulvi.
Rainy, The Honourable Sir George.
Rama Rao, Diwan Bahadur U.
Ryan, Mr. T.
Sahi, Mr. Ram Prashad Narayan.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Seaman, Mr. C. K.
Studd, Mr. E.
Sykes, Mr. E. F.
Tait, Mr John.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was negatived.

Railway Retrenchment Policy.

Mr. M. Maswood Ahmad: Sir, I move that the Demand under the head 'Railway Board' be reduced by Rs. 100, in order to discuss the railway retrenchment policy, Sir, there are two aspects of this case; first is the general aspect and secondly the aspect which has affected my community only. Sir, I do not want to discuss this point on communal lines at all. But as my Honourable friend, Mr. Hayman has referred to it in his speech yesterday I will also refer to it only by way of reply. Discussing the first aspect, *i.e.*, the general aspect, I would point out that we have been consistently hearing on the floor of this House and outside that instructions have been issued by the Railway Board in this connection and in that connection. But what is the result? My Honourable friend, Sir Alan Parsons, in reply to my question No. 83 (*a*) says that the principles laid down by the Railway Board for retrenchment were that men should be discharged who were inefficient, least efficient and who have short service and those who were nearing the age of superannuation. I maintained last year that these instructions of the Railway Board carry no weight at all with the subordinate officers, and these instructions generally find their place in the waste-paper basket, and I still maintain that this year too. Now, Sir, in support of my allegation, I quote here the very words of a Divisional Personal Officer of the N. W. Railway, who discussing the retrenchment with an officer of the Railway Board, said:

"Retrenchment started on this division on 25th March 1931, and the principle adopted in effecting it was to discharge men on the basis of service. No one has been discharged on the ground of inefficiency or the least efficiency, or because he is nearing the age of superannuation. There are 87 men over the age of 52 employed at present on the Division.

The principle that was adopted in discharging men was also adopted when demoting staff and accordingly the juniormost men were demoted."

Mr. President, does it not show that I am correct in my allegation against the Railway Board? They know to issue circulars only, and after

that they do not care to see what is happening on the spot. If they do much, they issue another circular, which is again thrown into the waste-paper basket in Divisional Superintendent's offices. Thousands of efficient and energetic men of all communities were thrown out of employment on account of lack of supervision by the Railway Board. Old, inefficient and less efficient men have been retained in service, while young, energetic and efficient servants have been turned out of employment.

Mr. President, do you know what happened when these poor helpless employees of all the different communities of our mother country appealed to the higher authorities? In 95 per cent. of cases which I could see, the replies were quite unsatisfactory. After trying for months and months, a Court of Inquiry was appointed, and it was a great surprise to me when I heard the day before yesterday that the help of a lawyer on high pay was taken to defend the railway authorities and there was a big staff to help them. The poor helpless employees who were out of employment for a long time, who are half-naked and have starving children of the mother country could not defend their case. How was it possible for them to defend their case? How would it be possible for them to engage lawyers, or to see the files of others to whom favouritism was shown? Instead of inquiry by some sympathetic officers, a grand play was played and thousands of rupees were wasted in this way.

Sir, I will fail in placing the case correctly if I do not appreciate Mr. Young, Divisional Superintendent, Lucknow Division, who took a keen interest himself in going through the cases of such persons, but what great satisfaction would it have been to me and to my Honourable friend, the Commerce Member, if Mr. Young's example had been followed by others as well?

There would have been no trouble at all if the Railway Board had held written examinations, and after that they could have turned out inefficient or less efficient persons. In that case, none would have had any complaint to make. By retrenching old persons, the Railway Board could have saved more money, because old people get higher salaries than young persons. At the same time young persons are more energetic than old people. Naturally the energy which my Honourable friend, Mr. Hayman had ten years ago is not possessed by him now.

Sir Abdullah Suhrawardy: Question, question. It is increasing every day.

Mr. M. Maswood Ahmad: Nor will he maintain the same amount of energy which he has now ten years after. (Laughter.) I admit, Sir, that for mental work of office old persons are good, but for executive work done by people like guards, ticket collectors, ticket checkers, station masters and others, old people are not at all fit. I hope the Staff Member of the Railway Board will keep this question in mind for future guidance.

The other point to which I wish to draw the attention of the Railway Board is that retrenchment in number of persons or cut in pay is not a sound policy. The sound policy would have been either to declare the staff surplus and to absorb them in future vacancies, or if the Railway Board considered that retrenchment was quite necessary and could not be avoided in any circumstances, then they should have given forced leave for two or three more days in a month without pay to every employee, and I think that would have compensated them better than the retrenchment.

[Mr. M. Maswood Ahmad.]

Now, Sir, I will deal with the communal aspect of this question. Unfortunately my community has suffered much in this economy campaign as well, and Sir Alan Parsons in his reply to my unstarred question No. 82 says that:

"The orders issued to Agents of State-managed Railways in connection with the reduction of superfluous staff included an instruction that all practicable steps should be taken to see that the unfortunate necessity for reducing staff did not operate to the detriment of communities not at present adequately represented in railway services."

Now, I shall quote the very words from a minute of the proceedings of a meeting of the same Divisional Superintendent, North Western Railway, and an officer of the Railway Board:

"No steps have been taken when discharging or demoting staff to safeguard the interests of communities not adequately represented. It will be seen from statement A that those who have suffered most in retrenchment are Indian Christians and Moslems and in demotions Moslems only."

Does it now show, Sir, that my allegations against the Railway Board are quite justified? Am I not right in my inference and that which is gaining ground in the Muslim India that it is Government and not merely Hindus who are responsible for the absence of Muslims in Government administration? To authenticate my above views, Sir, I shall now proceed to show how inadequate Muslim representation has been maintained on the N. W. Railway. Sir, I will refer to the case of the N. W. Railway in this respect. The representation of Europeans, Anglo-Indians, Hindus, Muslims and others on the staff of this railway on 1st March, 1931 was ·58 per cent., ·87 per cent., 34·46 per cent., 56·16 per cent., and 7·93 per cent., respectively. As my friend, Mr. Hayman wants reference generally, I will refer him to his own letter, dated the 2nd November, 1931, and there these figures can be found. After reduction was over, *i.e.*, on the 10th July, 1931, the representation was ·63 per cent., ·92 per cent., 34·71 per cent., 55·71 per cent., and 8·03 per cent., respectively. In other words, the percentage of Europeans, Anglo-Indians, Hindus, and other classes during a period of only six months has been increased by ·05 per cent., ·05 per cent., ·25 per cent., and ·1 per cent. and that the percentage of the unfortunate Muslims, the inadequacy of which I quoted in the words of Mr. Hayman himself yesterday, decreased by ·45 per cent. Now, Sir, I will ask the Honourable the Railway Member or Mr. Hayman himself if in this way their instructions to keep intact the percentage of the communities not adequately represented have been maintained. Is the Railway Board only responsible for issuing instructions to their subordinates? If the Railway Board is also responsible for seeing that their instructions are carried out, I would like to ask Mr. Hayman, Sir, if he took any action against the officers who are responsible for this. In this connection, Sir, I will quote one or two cases from the Dinapore Division. Several Muhammadan gentlemen, A. T. X. R., were retrenched there on the ground that they had passed the Asansol training examination in the third division. But it is quite a surprise to me that I have found that several A. T. X. R. gentlemen belonging to other communities were retained in service though they had passed the same examination in the same division and even then in the second chance, while these Muslims who were retrenched passed in the very first chance. Passing in the third division was considered as less efficiency in the case of the Mussalmans, whereas in the case of other

1 P.M.

communities it was considered as efficiency. At the same time, the personal files of those men who have been retained I understand are not clean. They were fined two or three times, while the personal files of the Muslims who have been retrenched are clear. Now, what happened in the Howrah Division? Samiullah, Nazir Ahmad Khan, R. A. Siddiqi, Anwar Hussain, etc., crewmen of Howrah Division, mostly having about 5 years' service at their credit, having flawless personal files, have been discharged, whereas juniors who had only about 9 months' service to their credit, and who had no good personal files have been retained in service.

Now, Sir, I will also urge that as the ticket checking staff has already suffered the most as admitted by my Honourable friend, Mr. Hayman, I would request that no more share of retrenchment be inflicted on this unfortunate department. I will here request the Honourable the Railway Member to appoint any officer of the Railway Board to see to the two things I have just said above.

I also understand that the Railway Board is still contemplating a further reduction in the establishment, and if this unfortunate necessity occurs, I request that no more men be turned out of their job. They may be declared as surplus where they are not required until such time as they are absorbed anywhere else as vacancies occur. If the Railway Board consider that further retrenchment in railways is entirely necessary and cannot be avoided in any circumstances, I would ask them that, instead of discharging men from their employment, they should give forced leave for two or three days without pay to every employee every month, and I think that it will more than compensate what they would get by further retrenchment. This should be the last resort, and I shall prefer the former suggestion.

I would also like to say that the cut in the salaries of the railway staff is too a great hardship. The minimum grade of a clerk on the North Western Railway is Rs. 33—3—60. After deducting the provident fund instalment, *viz.*, one-twelfth of the pay and one anna per rupee salary cut, he only gets something about Rs. 29. Now, Sir, if the unfortunate clerk happens to be in the vicinity of places such as Delhi, a large sum of his pay goes to the pockets of house owners in whose houses the clerks live. What happens is this. They try to extort money from passengers and thus inconvenience and trouble the travelling public. In the interests of the railways I would request them to reconsider the case of clerks' pay and stop the inconvenience to the public. It becomes quite clear that it is the railway which teaches its staff to trouble and tease the travelling public.

Now, Sir, I will not go into further details, but I hope that my Honourable friend, Colonel Gidney, who has had experience of the Court of Inquiry at Calcutta and Bombay, will be able to explain the situation at greater length when his turn comes. With these words, I move my motion.

Mr. President: Motion moved:

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

Lieut.-Colonel Sir Henry Gidney: Sir, I accept the invitation of my Honourable friend to join in this debate, and though I support the motion, I feel I must dissociate myself from the views he has expressed as regards the policy which he has enunciated of driving out the old and

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reinstating the young. If that policy were applied to this House, I do not think that many of us would be in the position in which we are to-day. Also I do not intend to raise any communal issue, although I am prepared to state that the retrenchment policy, as carried out within the last year, has seriously affected the economic condition of my own community. I shall, however, leave that alone, and I propose to-day to discuss the policy of retrenchment as it has been operated on the various railways.

The House may not possibly be aware of the retrenchment policy the Railway Board ordered to be carried out by the various State Railway Administrations. And I think it might interest the House if I were briefly to say what the various items in that policy were. The priority order, which was issued to the Agents of the State-managed railways by the Railway Board, gave the following. Retrenchment must be started, first with those who are inefficient, next with those who are least efficient, then those who have short service, including temporary and permanent, and then those who are nearing the age of superannuation. That, Sir, was briefly the order that was given to all the Railway Agents in March, 1931.

How have these orders been carried out? Yesterday I had occasion to refer to that very valuable Report of Mr. Hassan in which he outlined the flagrant way in which certain Railway Agents had violated the orders of the Railway Board regarding Muslim recruitment. The same story has to be repeated to-day regarding retrenchment. Let me analyse the manner in which the various State Railway Agents have carried out these orders—I shall confine my remarks to the four State railways on which Mr. Hassan has based his Report, the Great Indian Peninsula Railway, the East Indian Railway, the Eastern Bengal Railway, and the North Western Railway. This order of retrenchment was dated the 3rd March, 1931. Before that, the Railway Board had clearly foreseen the terrible financial catastrophe that was facing the country and the world in general, and they very wisely adopted certain retrenchment measures which are being operated from 1929 but more in a piecemeal manner than in the mass formation as was done last year. But the intensity of that campaign dated not with the order that was issued but earlier than that in certain of the railways. The Great Indian Peninsula Railway was the first one to introduce its retrenchment policy, and before the other railways started their retrenchment, the Great Indian Peninsula Railway had almost completed its work regardless of the orders of the Railway Board as far as communal inequalities were concerned after retrenchment was completed, and also, regardless of many of the other terms imposed in this order of the Railway Board. I say that the G. I. P. started its retrenchment earlier in the year 1931. They did not take 12 months as the period denoting whether a man was to be considered temporary or permanent. They took 5 years service as their standard. Men under five years were retrenched. They did not pay any attention to the specific orders given by the Railway Board that reductions should not operate to the detriment of communities not at present adequately represented in railway service. Now, the Mover of this motion has brought positive evidence before the House that his community has been considerably reduced as a sequel to retrenchment.

I have told you that my community has also suffered, but I am now dealing with the broad issue. The G. I. P. Railway carried out its retrenchment policy regardless of this order and I go further and tell this House that of the total Anglo-Indian retrenchment on all the railways, the G. I. P. retrenched more than 50 per cent. That shows you how that railway carried out the orders of the Railway Board.

Now, I come to the Eastern Bengal Railway. This railway carried out its retrenchments about April. They were not so severe. They did find that certain of their workshops had to be closed down out of dire necessity. I have no complaint to make about that. But I have a very serious charge to make against the Eastern Bengal Railway and that charge relates to the treatment meted out to the T. T. Is. Now, Sir, the *summum bonum* of my complaint is this. I have presented this matter in an exhaustive memorandum to the Railway Board and as far as I know, no action has been taken on it. I, however, hope this memorandum along with similar memoranda I submitted regarding T. T. Is. on the E. I. & N. W. Railways have been presented along with others to the Court of Inquiry for their information and action. I await this report, but I understand that the Court of Inquiry has already decided,—I speak subject to correction—after hearing official evidence that the case of T. T. Is. is not a retrenchment policy, in that although the pay and allowances of these employees have been reduced in most cases by 50 per cent., they have been placed in other appointments and so have not been deprived of employment. In other words these permanent employees have been retrenched and as a *meherbani* they have been provided with temporary appointments on much lower salaries. The Agent of the Eastern Bengal Railway has given these men a year's notice of discharge. I would like to know under what rules and authority this was done. That order still holds good and the Railway Board has taken no action. This I submit in itself is a violation of the orders of the Railway Board on such matters. The Railway Board may say that this has nothing to do with its retrenchment policy. That is a policy of economy and that it was the result of the Moody-Ward Report. That Report, Sir, is not worth the paper on which it was printed.

Now, I come to the East Indian Railway. This railway started its retrenchment, I speak subject to correction, in July 1931. Mr. Hayman will correct me if I am wrong. I must admit that the East Indian Railway have in the main been very generous in carrying out the orders of the Railway Board. They did not proceed so ruthlessly and they did not apply this retrenchment axe as did the G. I. P., a fact that redounds to the credit of that railway. But while I am desirous of giving credit to them, I am equally emphatic in condemning the treatment they have meted out to their T. T. Is. These T. T. Is. are a very experienced class of men, holding permanent employment some of them for years and years. Suddenly, this fever of economy is evidenced in the form of an epidemic and these men some of whom were drawing Rs. 400 and Rs. 500 per mensem were demoted and are paid to-day Rs. 150 and Rs. 125. Many of these employees are Anglo-Indians, and one must remember the fact that the education of an Anglo-Indian child costs from Rs. 50 or Rs. 60 per mensem. Do you call that a reasonable wage and a just measure of retrenchment? I say it is a starvation wage. I say the Agents of the railways who have practised this kind of retrenchment have absolutely no conception of what they have done. They have set

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aside all considerations of humanity. Now, I come to the North Western Railway which I believe is justly praised for having the best system in force so far as its personnel is concerned. This railway has certainly been more considerate, but look at the treatment it also has meted out to its T. T. Is. or Examiners. Many of them were getting salaries of from Rs. 200 to Rs. 250 per mensem *plus* an equal amount in allowances. The Agent has retrenched this allowance and instead a daily rate has been given which works out to about 15 or 20 rupees a month as compared with 200 rupees. That is the way the retrenchment axe has done its work. In addition to this retrenching of salaries, demotion was also put into operation. "Demotion" to me is an ugly word to use. Demolition would be a better and more appropriate word. These men were reduced from a higher to the lower grade of status and pay. Furthermore other allowances have been considerably curtailed. In addition a number of these men have been made to go on compulsory leave on half pay. Add to this the present rate of income-tax, the high cost of living, the increased customs duties on articles of food and you have a very sad picture indeed. And on the top of this add the ten per cent. cut. I do not complain against this 10 per cent. cut because it applies to all. I do not blame the Railway Board in this matter but I must admit it took the Railway Board a long time and a great deal of pressure from the Federation of Railway Unions and other Associations to enable them to realise that their policy of retrenchment was not being strictly operated by administrations, that it was a one sided one and that the railway subordinate was being made to bear the financial burden of the whole of the Government of India. My point is this. No action was taken as regards retrenchment of officials until pressure was brought to bear on the Board and this action was taken later in last year. The date of retrenchment of officials did not synchronise with the retrenchment of the subordinate staff. The Honourable Member in his Budget speech said that a total number of 169 posts had been retrenched. But how could construction jobs be abolished when no constructions were being undertaken? The Deputation Reserve of 4 per cent. and the Training Reserve of 41 were retrenched, these were all potential jobs to be made so as to establish the strength of the official cadre. That 28 posts were held in abeyance. "Abeyance" is a very elastic word, almost as elastic as the words "generally", "usually" and "ordinarily", used by the Railway Board in all new appointments to afford it a loophole of escape when it is criticised and only 37 posts were actually abolished. Now, if you refer to the explanatory Memorandum of the Railway Budget, this is what the Railway Board says:

> "A large number of superior posts have been abolished in the course of the year and others held in abeyance during the absence on leave of permanent incumbent or otherwise. On State-managed railways, following the recommendations of the Retrenchment Committee, it has been decided to abolish the 36 construction posts that were added in the last revision, the deputation reserve of 4 per cent. and the training reserve of 41 posts. These account for the reduction of the cadre by 104 posts. In addition, the working posts in the cadres have been reduced and as a result of the rearrangement 37 posts have been abolished and 28 more held in abeyance. On company-managed railways, similarly 24 posts have been abolished and 44 more left unfilled."

Compare this total of abolished, unabolished, about to be abolished and the thought of being abolished jobs with the thousands and thousands of

subordinates who have been retrenched and actually abolished and you have an idea and a comparative valuation of the way in which Agents have applied the retrenchment policy of the Railway Board as between subordinates and officials. The Railway Board in their orders to Agents stated specifically that certain points had to be considered in their order of priority. Have Railway Agents carried out those orders? In my opinion, they have not. Sir, on the floor of this Honourable House I have already charged Railway Agents with flagrant disobedience of the Railway Board's orders, and to prove this let me tell you what Railway Agents have done in the filling up of the vacancies in the lower gazetted service. I was a member of the Railway Central Advisory Committee when the Lower Gazetted Service was created, that Service, Sir, was meant entirely for deserving and worthy upper subordinates. The creation of this service was the outcome of years of agitation to abolish the Local Traffic Service and in which the Secretary of State for India has acquiesced. Various Associations, Federations and Unions approached the Railway Board as to the manner of filling up of the posts in this service. It is well known that for years and years railway subordinates have been utilized to perform the work of higher officials at one-third of their salaries and have been made a convenience of in order to fill up the leave reserve for these higher officials. The Railway Board then very wisely considered the formation of a lower gazetted service and that service was meant for no one else but worthy subordinates. Now, Sir, I asked a question in this House the other day and I was told by Sir Alan Parsons that it was not meant entirely for subordinates and that it was open to Local Traffic Service and the Engineering Department. Now, Sir, the Engineering Department is a very big department and consists of a provincial department too and Sir Alan Parsons would have been correct had he said the provincial Engineering Department. But what have Railway Agents done? When they were asked to recommend names for the Lower Gazetted Service; the then G. I. P. Railway Agent attempted to press the claims of a number of his temporary Assistant Engineers who should have been axed to fill up vacancies in the lower gazetted service allotted to his railway and which he must have known were meant for subordinates. There was of course a loophole for him to use in acting as he did—*viz.*, the "lower gazetted service" is to be "ordinarily" recruited from subordinates. Now, Sir, we have heard a lot about such words as "ordinarily", "usually", etc., and I think it is time the Railway Board issued specific orders to the railways so as not to give them these loopholes. The then G. I. P. Agent has used temporary Assistant Engineers, who should have been retrenched, as were temporary subordinates without exception to fill up appointments in the lower gazetted service. That, Sir, is the way the then Agent has carried out the prescribed orders of the Railway Board. Having illustrated the difference between retrenchment of subordinates and the retrenchment of higher officials, I shall now say a few words about the comparison between retrenchment on railways and retrenchment in other Government services. Sir, for some few years we have had deficits in our Budgets but it was only year before last and last year that the Government realized it had to reduce expenditure. The Railway Department however for reason best known to itself considered it right and proper that they should take upon themselves the burden of this retrenchment long before other Government Departments commenced to retrench, though I believe the Honourable the Commerce Member made some observations on this subject in his Budget speech last year in which

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he said that it was not fair to call upon the Railway Administration to bear the burden of this retrenchment or words to that effect; I was not in the House then so I am speaking from memory. Now what has actually happened? The whole of last year not a single Government Department, with a few scattered exceptions of course, took upon themselves the burden of this retrenchment policy and began to operate it only since the 1st January of this year, *i.e.*, by a 10 per cent. cut in the pay and a few reductions in allowances. Railway officials had a 10 per cent. cut in their pay, their compensatory allowances were reduced (that is, their house-rents), certain mileage and other allowances have been reduced or stopped, but, yet, they have retained the Lee concessions. Sir, I say the higher railway officials and other Government officials can more easily and better afford to live on even a 50 per cent. reduction of pay than railway subordinates. (Applause.) Sir, there is a line of living which everyone must maintain, but there is a line of extravagance which only the higher official can and do maintain, the dividing line being the luxury line. When my friend Senior Mussolinni Biswas yesterday laid down certain extraordinary dogmas regarding Anglo-Indian railway employment, he attempted to draw a line between the favoured and the deserving employee or between democracy and socialism as he saw it. Similarly there is a line dividing these two sets of employees—Officials and subordinates—*i.e.*, between autocracy and democracy, a line which might aptly be called the line of hypocrisy. (Laughter.) Sir, that is how the present retrenchment affects the railway official. I ask this House, are they prepared to subscribe to this operation by Agents of a policy of retrenchment such as I have outlined. I may not be right in my detail criticisms, but on the broad question of policy I maintain I am right in what I have said and I put it before this House for its serious consideration. Sir, I shall now refer to certain other matters which will take some time, about half an hour I think.

Mr. President: The House will now adjourn till 2-35.

The Assembly then adjourned for Lunch Till Twenty Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Five Minutes to Three of the Clock, Mr. President in the Chair.

Lieut.-Colonel Sir Henry Gidney: When this House rose for lunch I was attempting to make a comparison between the method of retrenchment of subordinates and officials. In my remarks before lunch I find there is one point which I should like to clarify and to correct and that is as regards the imposition of income-tax as an additional burden on the shoulders of railway subordinates. What I meant was this. In addition to this cut of 10 per cent. and reduced allowance, they had to pay income-tax. I did not mean additional income-tax. I tried to explain the way in which the burden was borne by the Railway Department and how the other Departments of the Government of India escaped this hardship and I hope I have convinced this House that for nearly a

year railway subordinates were carrying the entire burden of this all India financial stringency in Government's attempt to reduce expenditure. The Railway Board was aware of the way in which retrenchment had been carried out. I believe I am right in saying that though they were not absolutely convinced of the charges that were being made against the various Agents about the unjust way in which retrenchment was being carried out by the Federation of Railway Unions and the Anglo-Indian and Domiciled European Association of which I have the honour to be the President and various other bodies, yet the cumulative effect of these representations impelled the Railway Board to consent to the appointment of a Court of Inquiry. Now, that Court of Inquiry has sat and before it cases were presented and I understand their report is now in the possession of the Railway Board. It is distinctly unfortunate that this House has not got an expression of opinion from the Railway Board as to what that report is. But there are various rumours afloat and rumours are not always devoid of truth. But besides this I have in my possession certain facts in connection with this Court of Inquiry which I am prepared to lay before the House. The contents of the report of that Court of Inquiry are not known but I hope I am right in saying that the report will prove that some of the charges that have been levelled against railway administrations are correct. Now, on what matters did that Court of Inquiry take evidence? Among other things it enquired whether retrenchment had been correctly or incorrectly operated, certain witnesses, both employees and officials, appeared before them to place their respective view points and on their evidence the Court of Inquiry has I understand based its report. Various matters such as the principles underlying retrenchment were also considered. Another question was that relating to efficiency, another referred to demotion and yet another to superannuation. All these points were considered by the Court of Inquiry. There is no doubt that the total number of employees ordinarily retrenched comes in the neighbourhood of 50,000, while the total number of officials retrenched or posts actually abolished is only 34. But the posts that have been done away with, formed, unformed, or deformed, are said to be 169. Although it may be proved that a higher proportion of official posts have been abolished as compared with the posts of subordinates actually abolished yet, this House has to determine whether 50,000 employees who have been retrenched is sufficiently countered by the abolition of only 34 official posts. Again, what are the jobs said to be kept in abeyance? And for how long will these jobs be held in the state of abeyance? Before I quote from certain statements made and opinions expressed by official witnesses before the Court of Inquiry I should like to state that it cannot be denied from my information that almost every case of retrenchment presented to this Court was justified under the cloak of "least efficient", a weapon which I believed was aimed at 95 per cent. of the retrenched men.

Now, Sir, the question of efficiency has been discussed on the floor of the House and I should like to ask Honourable Members on the Government Benches to give us, if they can, a correct interpretation of the words, "efficient" and "inefficient". From what Honourable Members on the other side have said I am led to conclude that by efficiency they mean literacy and by literacy they mean the possession of degrees. But surely the House does not require to be told that the degree does not make the man, the man makes the degree. If a degree is a *sine qua non* of efficiency I ask how many Agents and Members of the Railway

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Board possess a degree. (Hear, hear.) Of Members of the Railway Board. outside Members of the Indian Civil Service, how few if any of them possess a degree and yet we have in the present Railway Board one of the ablest administrators of Labour sitting there. I ask this House, what is the use of a B.A., or a B.Sc., in case of a collision or a communal riot in a workshop? Absolutely useless and yet efficiency is supposed to be one of the points that the Court of Inquiry had to enquire into. Sir, I opine that the day, the Railway Board decides that a degree is not a *sine qua non* for employment in railway services, it will kill all this communal unrest and scramble for appointments and it will work more harmoniously. I shall now show the House a few cases that were presented to the Court of Inquiry which will go to prove that the charges that have been made against the Railway Administration, not the Railway Board mind you, have some truth in them.

There was a case of a Mr. Martin who was alleged to be inefficient but when the witness officer was confronted with his evidence that he had no inefficient men on his Railway he calmly said it was "least efficiency". All Mr. Martin wanted was his leave and this was obtained for him through the representations of the Anglo-Indian and Domiciled European Association and the National Union of Railwaymen.

There is another case of a Mr. Andrews who was a senior Guard and was demoted on the plea of least efficiency. In this case it was proved that Mr. Andrews was a very senior Guard and in spite of an extraordinarily clear record of nearly 20 years he was the only man selected on the whole of the E. B. R. for demotion from Rs. 210 to Rs. 100. It was also proved beyond doubt that there were some who had only four years service and these too with very serious entries against them yet they were retained. Their records were challenged and it was found that they were bad.

There is yet another case, one which showed to the Court the unjust way in which an unfortunate lady was discharged. This lady who was employed at Chandausi, E. I. R. was discharged and another man, much junior to her, was retained. The officer giving evidence when examined told the Court that she was discharged for being junior. When this was disproved he tried to excuse himself by giving two other causes. These were also repudiated and I hear the lady has since been reinstated.

I will not keep this House much longer and I will cite only one more case. Six Indian Guards were either discharged or reduced—I am not sure—but they were brought under the axe. All these men had over 20 years service, one man had 29 years. When the railway official was examined by the defence, he said that all these men were "least efficient", but the history sheets of their service were produced and to the surprise of the Court it was discovered they had not a single black mark against them. I ask the House, are these not glaring cases of injustice, victimisation and hardship due to a misapplication of the policy of retrenchment.

Sir, these are some of the cases out of many that I have and I hope they show how officials in the Railway Administrations have operated the Railway Board's policy of retrenchment.

Now, Sir, I shall deal with another point to illustrate how Railway Agencies interpret the orders of the Railway Board. I have with me excerpts from the evidence given by a large number of Railway officials before the Court of Inquiry. I shall not weary the House by reading them —I am, however, prepared to show these to any one who wants to see them. The substance of these official opinions expressed before the Court of Inquiry proves to the hilt that no two officers were of the same opinion as to what the Railway Board really meant by its policy of retrenchment. The D. T. S. Katihar said it was so indefinite as to give him freedom to act as he thought best. Another said the Railway Board's instructions had been communicated to all Shed Foremen,—his subordinates,—with instructions to act according to the orders; that is to say, he left the matter in the hands of his subordinates. Another District Officer operated this retrenchment by fixing the number of men in each category and then demoting them on a new scale. Now what does demotion really mean? It means that after you have reduced your number of employees, as a measure of retrenchment, you not only place extra labour and responsibility on those you retain, but, in addition, you reduce their salaries by demoting them to a lower grade and on the top of this you cut all their lowered emoluments by a 10 per cent. cut—Sir, this is not "demotion" but "demolition".

Now, I come to another official witness. The D. T. S. of Katihar stated he had his own extraordinary system of retrenchment and assessment of efficiency. He divided the number of bad marks in the service sheets of an employee by the number of years service, the quotient being the index for comparison with similar indices of others in the same class of employment, subject to his personal judgment of the man's case, irrespective of the gravity of such remarks or the differences in responsibility of duty involved in the duties of the employees concerned, *e.g.*, the responsibility of a S. M. of a crossing station as compared with that of a flag station or the duty of a S. M. of a Junction with that of a road side station. The whole of the evidence that I have before me shows, beyond the shadow of a doubt, that however sincere and considerate the Railway Board was in its policy of retrenchment and the application of the retrenchment axe, the Railway Administrations did not follow out those orders. The result has been that acute dissatisfaction and restlessness exist among the Railway staff. The Railway Member paid a great compliment and tribute to the Railway subordinate staff for their devotion to duty, and the patriotic way in which they have borne this burden of retrenchment, and I am sure every Member of this House will join in that praise. But rumours are afloat that an additional 10,000 men or more are to be retrenched. The Railway Board I understand gave a promise to the Federation of Railway Unions that no further retrenchment would be resorted to until the Report of the Court of Inquiry had been received and considered.

The Honourable Sir George Rainy: Sir, I must correct that statement at once. No such promise was given.

Lieut.-Colonel Sir Henry Gidney: I accept the Honourable Member's denial of that. If I am wrong I withdraw it. But I understand that the last Deputation that waited on the Railway Board was given this impression.

Mr. A. M. Hayman (Government of India: Nominated Official): No, Sir.

Lieut.-Colonel Sir Henry Gidney: I am sorry; my information must apparently be wrong. Anyhow whatever it be, it does not effect my point very far nor help the Government Benches very much. The fact however remains that rumours are afloat that further retrenchment is about to be carried out. Rumours are also afloat that there is to be a further cut in pay. I frankly admit if you have no money you cannot keep a staff. But surely the Railway Board or the Railway Agencies when cutting their coat according to their cloth should see to it that even if the size of the cloth is lessened, the shape of the coat is still a fit and not a mis-fit, in other words create grave unrest and discontentment in their lower staff. I should like the Railway Member to deny the truth of these rumours because such a denial will considerably ease the present feeling of tension in the staff.

Then we have the question of superannuation. The Railway Board's orders on superannuation, as a measure of retrenchment, are very explicit. But how those orders have been interpreted by Agencies is clear from the official evidence given before the Court of Inquiry. One officer, the D. T. S. of Calcutta, said that he accepted of 54 years as the date for nearing superannuation; another the D. T. S. Katihar took the age of 52 as the lowest limit, while the D. T. S. Dacca fixed the age-limit as 50 years. According to the D. L. O. of Dacca, superannuation was decided on after examination by the Medical Board, and so on. It will thus be seen that the various ways in which superannuation has been and is being interpreted and operated as a measure of retrenchment by the various Agencies proves that they are not acting in accordance with the Railway Board's instructions on the matter.

Then with regard to demotion. In paragraph 4 of the Railway Board's letter of 3rd March 1931 it is said that employees whose posts are abolished have a better claim to retention than others holding posts on lower scale of pay. This principle, as was shown to the court, had been violated in Dacca, Katihar and Paksey Traffic Districts. The D. T. S. Paksey admitted before the Court of Inquiry that the retrenched men were not only fit for their respective jobs but were not fit for any other jobs under him. These admissions from the mouths of Railway official witnesses go to prove conclusively the charges I have made against Railway Agencies of disobedience of orders to the detriment of subordinates. Although these statements may not be in complete agreement with the report of the Court of Inquiry that is in possession of the Railway Board, yet they support in substance my charge against the Railway administrations, i.e., violation and disobedience of the Railway Board's orders on retrenchment.

Sir, I feel I have wearied this House by quoting these detail facts to support what I have said but this was necessary. I have no doubt the Railway Board will take shelter under the plea that with a reduced income from revenues they cannot maintain their present staff which they must correspondingly retrench. I entirely agree; but the point the Railway Board has to face and decide today is, are they going to have the Railways running or not, in other words are they riding for a fall by these retrenchments. Sir, I find myself in a very difficult position in my desire to bring home to the Railway Board the grave dangers ahead of them if their present policy is pursued. There is an under-current of grave restlessness among all classes of Railway employees. They feel that they have been made to bear a financial burden which from the onset should have been shared by others. They feel, rightly or wrongly, that there is a disparity in the systems of retrenchment between the subordinates and officials, and that subordinates have been and are being sacrificed to prop up officials. They also feel that they have come to the end of their tether and that their loyalty and devotion to duty have been strained to breaking point. There is a school of thought which holds that all retrenched men should be re-engaged, that railway extensions should be gone on with, that we should not curtail our railway programme, that fares and rates should be increased so that the burden is shared equally by the general public and its public servants and that the Railway Board should float a loan and so maintain a living pulsating Railway administration and not encourage the storing away of hundreds of locomotive engines to decay with the rust of inactivity. Possibly such a policy in the long run is fraught with less danger than this ruthless application of the retrenchment axe. But whatever may be the best course to pursue the Railway Board must appreciate and squarely face these facts and their implications. The whole substance of my speech has been to prove to this House that, though the Railway Board has been considerate and has been genuine in its desire to treat its subordinate employees fairly, Railway Agencies have lamentably failed in their duties and the present grave discontent is the result. Now, what is the remedy? The remedy is very obvious. If the Railway Board is to control the Railway Administrations of this country, they should see to it that their agents obey their orders, otherwise they must take the responsibility of what may happen. If they will take my advice and the advice of this House, they would at once inquire into some of the cases I have today brought to their notice as also the cases the Court of Inquiry has no doubt brought to their notice, and sack those Agents who have disobeyed their orders the same as the Agents would sack their subordinates for such an offence. Sack one of these defaulting Agents and believe me, you will find it will lead to a great improvement of affairs. It is time that Heads of Departments were brought to a clearer sense of their responsibility. Sir, Government have only recently taken State control of certain Railways, but even today on some of these Railways the joint-family system exists among officials and you will still find in several Railways a large number of officials all related to each other doing just as they please with their staff and Railway Board's orders. The Railway Board however have a sacred duty to perform. With all respect I call upon them to perform that duty today. I call upon this House to press this motion to a division unless the Railway Board gives a satisfactory explanation and an assurance that action will be taken against Railway Administrations should the charges of injustice be proved by the Court of Inquiry. In other words, I call upon the Railway Board to sack any Railway official who is found to have violated their orders after they have considered the Report of the Court of Inquiry and the cases presented to them in today's debates.

With these remarks, I support this motion.

Mr. A. M. Hayman: Sir, I think it only fair that I should speak at this stage so as to convey to the House a correct impression of how the Railway Board approached this most difficult question of having to make discharges of its employees. I think when I have placed the facts before

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the House I shall carry almost every Member of this Assembly with me in thinking that the Railway Board has acted most considerately towards its employees . . . .

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Question.

Mr. A. M. Hayman: It is very difficult for me to deal with so difficult a subject if, before I place my facts before the House, I am questioned concerning them. Sir, in the summer of 1929 when it first became apparent that the railway earnings were decreasing to a very alarming degree, the Railway Board wrote to the Agents of the Railway Administrations and gave them a lead as to how they were to effect economies in their working expenses. Railway Administrations were told in a letter which we addressed to them then to make special investigation into the methods by which expenditure could be curtailed, and reports were called for regarding the results of their investigations. In this letter the main directions in which it might in the opinion of the Railway Board be found possible to reduce the working costs were indicated. These included reduction in the passenger and goods train mileage of railways owing to the drop in traffic, reduction in shunting hours and mileage for the same reason, reduction in coal consumption by reducing to a minimum detentions to locomotives in steam, a vigorous campaign for the more economic use of consumable stores, reduction in the annual charges of ordinary maintenance and repairs, reduction in working departmental trains, closer supervision with possible reduction in permanent way gangs. I have read out this list because I wish to place before the House this point, that in all those measures which we first indicated to our railways, we set out those measures which would affect the staff the least; that is to say, that although early in 1930 we found it imperative to reduce our working expenses, we thought out and placed first all possible measures that we could introduce which would reduce expenditure but at the same time affect the staff to the very lowest degree. But towards January 1931 we became convinced, with the continued fall in earnings, that we had to attack this problem even more seriously, and that inevitably measures would have to be taken which, while reducing the working expenses of the railways, would seriously effect the numbers of employees that we had in our services. At that stage we did not desire to move all on our own. Accordingly the Railway Board summoned the Agents of Railway Administrations to Delhi, discussed the matter very fully with them, and asked them to reduce their expenditure drastically and keep it within certain limits that the Railway Board then found it necessary to prescribe for each of them. At that meeting I made a most earnest appeal to the Agents to endeavour to reduce expenditure again first in those directions which would affect the staff the least. But we were not satisfied that we should let matters rest even there.

In March 1931 the Railway Board issued orders to Railway Administrations stating the principles which they desired that should be followed in dealing with the discharges of staff who became surplus to requirements. Both my Honourable friends, Mr. Maswood Ahmad and Sir Henry Gidney, have referred to those orders. I am not going to enter into any very great

defence of the principle of those orders, because a large part of them have been placed before the Court of Inquiry on a complaint of the All-India Railwaymen's Federation on behalf of the railways' subordinate employees. The Court in investigating the complaint has heard the Federation representing the employees and has heard the Railway Administrations. It was not a case in which the Railway Board were called upon to defend anything that they had done; it was a dispute between the Railway Administrations and their employees. But to the extent, Sir, that anything has been placed before that Court concerning these matters and on which that Court is going to report I think it would be wrong of me to express an opinion or to anticipate the findings of that Court. To that extent I pray that Honourable Members will excuse me if I do not answer certain criticisms that fell from Sir Henry Gidney.

I would like to summarise the principles contained in those orders of the 3rd March and the 6th March. They both dealt with the discharge of employees; but we had to have a separate set of orders for the workshop employees who serve under somewhat different conditions from the other employees, and that is why we issued two letters, one on the 3rd March applying to all except workshop employees, and another on the 6th March embodying similar conditions, etc., which applied to our workshop employees. The main principles embodied in those letters were (1) that they laid down the order in which individuals should be selected for discharge; (2) the avoidance of victimisation, (3) the instruction that special regard to be paid to the interests of communities not adequately represented in the railway services.. (4) the grant of leave to staff discharged, (5) the drawing up of a waiting list for employees discharged to secure their reappointment with the return to normal conditions, and lastly the adoption of other methods as an alternative to the discharge of employees who are surplus in their own grades but could be utilised elsewhere or would be likely to be required back for work in the near future.

With your permission, Sir, I shall make a rapid survey of the instructions issued by the Railway Board from time to time on each of these six principal points.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

First, as regards the order in which individuals were to be discharged, it was laid down that those who were inefficient or least efficient were to be the first to go. Next men with short service; and lastly those nearing the age of superannuation. It was suggested to the Railway Board that the Railway Administrations would find it extremely difficult to work the first instruction, namely, the discharge of employees for inefficiency or those who had only a very small degree of efficiency. It was suggested to us that there would be victimisation. We at once took action on this suggestion; we instructed Agents to take suitable steps to eliminate the possibility of victimisation. Their attention was drawn to the rules which we had issued in 1929, under which in the case of men to whom those rules applied with not less than ten years' service at their credit they were not ordinarily to be discharged for inefficiency unless a clear case of inefficiency was made out against them. The Agents were further advised to consider the application of similar methods to employees who had even less than ten years' service. Further when a complaint was made to the

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Railway Board at a meeting with the All-India Railwaymen's Federation in June 1931, the Agents were instructed to examine any case that was brought up to them on representation by recognised Unions or on appeal, where it was claimed that favouritism had been exercised or victimisation practised; and we went so far in this matter that we offered the President of one of the Unions that the Agent of the Railway himself would meet the President of the Union and examine all cases in which the Union represented that there had been victimisation or favouritism practised in the application of this order of the Railway Board . . . .

Dr. Ziauddin Ahmad: Will you please name the Agent?

Mr. A. M. Hayman: The Agent of the North Western Railway.

Dr. Ziauddin Ahmad: But what about the East Indian Railway? He refused to listen to anything.

Mr. A. M. Hayman: I will answer the Honourable Member's question in a few minutes, Sir, I will tell the House what our State (3 P.M.) Railways did in this matter. The North Western Railway issued instructions that before any employee was discharged on grounds of inefficiency or least efficiency, his case had to be examined by two officers working as a sort of committee. On the Eastern Bengal Railway, district officers were instructed to refer all doubtful cases to the heads of department and heads of departments were instructed to refer all doubtful cases to the Agent. The cases of employees brought under reduction were carefully examined by the heads of departments, and in certain cases by the Deputy Agent himself. The district officers concerned were in some instances called upon to justify their action and their orders reversed in cases where it was considered that the spirit of the Railway Board's orders had not been carried out.

On the East Indian Railway the orders of discharge were in each case passed by a senior scale officer. Appeals were dealt with by the Divisional Superintendent himself and where necessary carefully examined either by the heads of departments or by the Agent. I am advised that appeals were carefully examined, and it was generally held that orders were passed on a fair basis.

On the G. I. P. Railway the powers to discharge were reserved to heads of departments alone.

Now, Sir, I will say this, that there have been representations that in the application of this part of the orders of the Railway Board, there has been victimisation and favouritism, and Colonel Gidney has quoted a few instances which he has perhaps got from newspaper accounts . . . .

Dr. Ziauddin Ahmad: I think I can quote instances ten times as many if I get a chance.

Mr. A. M. Hayman: That is not for me to say. Now, Sir, we have in the Railway Board been following also the evidence given before the Court

of Inquiry, and one of our officers, who assisted the Railway Administrations in placing the case so far as the railways were concerned before the Court of Inquiry, had my distinct instructions that if at any stage of these proceedings he felt in any way that any employee had been unfairly treated, he was to ask the Agent of the railway that his case should be re-examined and that if any injustice had been done to him, that he should receive justice at once . . . .

Dr. Ziauddin Ahmad: On a point of personal explanation, Sir. In many cases these appeals were sent back to the Superintendents and nothing was done.

Mr. A. M. Hayman: The Honourable Member can state his case when he has an opportunity.

Dr. Ziauddin Ahmad: I know I will not have an opportunity to do so.

Mr. A. M. Hayman: Well, Sir, I am speaking on the authority of this officer who went about from place to place watching the proceedings of the Court of Inquiry, that in many instances where there was some evidence that a man had not been properly treated, he had brought those instances to the notice of the Agent of the Railway or a responsible officer of the railway who told him that action would at once be taken . . . . .

Dr. Ziauddin Ahmad: Name the officer who went about from place to place.

Mr. A. M. Hayman: It was Major Wagstaff. Well, Sir, when the Railway Board receive the Report of the Court of Inquiry, there is one thing which they will promptly set themselves to do. They will issue instructions that in every case in which there is evidence that a man has been badly treated (I am speaking so far as our State-managed railways are concerned), immediate steps should be taken to see that justice is done to the individual concerned because, Sir, we do feel this that when we entered upon this campaign of retrenchment, when we had to discharge a very large number of employees, more than 40,000 employees, that as this large discharge had to take place in a very short space of time, it would have been idle for us to suppose that here and there there would not be some cases of injustice, and we shall see, Sir, that all cases of injustice, as soon as they are brought to our notice, are suitably dealt with and that justice is done in every case. (Applause.)

Now, Sir, I ought to say a word or two on the question of what is described as demotions. Colonel Gidney tries to make out it was demolitions and not demotions. Well, Sir, that is just what it was not. If in this matter we adopted what we might call the line of least resistance and took the lowest in seniority in a grade or class where posts were abolished and told these men "You must not go", we should then have had no demotions and probably no complaint from Colonel Sir Henry Gidney that we

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had handled this matter badly. It would have been an easy thing for us, Sir, to take all the men at the bottom of those grades to send them away, but that, Sir, would not have been the right thing to do. Sir, employees rise from one class to a higher class on the basis of seniority, merit and good conduct, and it would have been an act which we really could not justify if we adopted the course, I have just referred to. And so very clearly in the orders of the 3rd March, we told the Agents of Railway Administrations that when men became surplus in a higher grade, efforts should be made to employ them in the next or still lower grade, that is to say, we desired to keep in our service those who, by reason of length of service and on account of their good work and good conduct, had risen to the higher grades. And, Sir, I am surprised that anybody who has the interests of the railway employees at heart should say that, while adopting this principle in making demotions we have been doing anything but what was reasonably expected of us in fairness to the men.

Lieut.-Colonel Sir Henry Gidney: On a point of personal explanation, Sir. I did not say that I objected to the principle of demotion. My complaint was that demotion was not practised among officials.

Dr. Ziauddin Ahmad: It is a fact.

Mr. A. M. Hayman: I did not catch what the Honourable Member said. Will he please repeat his remark?

Lieut.-Colonel Sir Henry Gidney: I want to tell the Honourable Member that when I criticised the application of demotion, I did not say it was badly carried out. All I said was that you did not similarly demote officials.

Mr. A. M. Hayman: I shall deal with that aspect of the question later on.

Dr. Ziauddin Ahmad: You have simply turned out poor people in order to find more money for the increment of pay of higher officers.

Mr. A. M. Hayman: I emphatically deny that. Then, Sir, it will interest the House if I at this stage just read out some figures showing the total number of subordinates and inferior servants discharged from our railways, classified as those who were discharged under the first category, *viz.*, being inefficient or least efficient and those under the category of superannuation. The remainder represents those discharged on the basis of short service.

Dr. Ziauddin Ahmad: Will you please give the number of the officers and men separately?

Mr. A. M. Hayman: I shall deal with the officers' question quite frankly later on.

	Total No. of employees discharged.	Discharged for inefficiency.	Discharged on account of superannuation.
N. W. Ry.	9,253	1,263	268
E. B. Railway	1,463	796	129
E. I. Railway	11,695	926	147
G. I. P. Railway	8,739	29	10
Burma Railways	1,927	(I have not been able to get the details.)	
B. N. Railway	1,620	10	19
B., B. & C. I. Railway	2,190	58	81
M. & S. M. Railway	1,120	232	25
S. I. Railway	1,458	10	9
Assam Bengal Railway	412	11	0
B., N. W. and R. & K. Railways	625	(I have not been able to get the details.)	

The point I want to make is that out of a total of 40,500 and odd employees that have been discharged, only 3,335 men have been discharged on the ground of inefficiency, that is to say, the majority (it excludes this number, *viz.*, 3,335 and the 688 discharged on account of superannuation) were discharged on the basis of length of service.

Mr. M. Maswood Ahmad: What about the Clearing Accounts Office? Will the Honourable Member quote figures about this office?

Mr. A. M. Hayman: Only 688 on account of superannuation and 3,335 on account of inefficiency were sent away, and the remainder were all dealt with on the basis of their short service with one reservation, namely, that we took steps to see that the interests of communities inadequately represented in the service were protected. On that subject, Sir, I gave the House figures yesterday.

Nawab Sir Sahibzada Abdul Qaiyum (Nominated Non-Official): May I enquire whether the removal of Mr. Mehta, who served on the Khyber Railway as a temporary engineer for a long time and whose services are, I hear, being dispensed with after nearly 14 years of service, is due to inefficiency or short service, or on what other grounds?

Mr. A. M. Hayman: Sir, I must say that I am unable to give a direct answer to my Honourable friend Nawab Sir Abdul Qaiyum, but as soon as we receive the records of this discussion, I shall have enquiries made into that particular case and communicate the result to the Honourable Member.

Nawab Sir Sahibzada Abdul Qaiyum: May I remind the Honourable Member that the gentleman's case was referred by the Railway Board to the Agent of the North Western Railway for some such consideration as was explained by my Honourable friend, and no regard was paid by the Agent to the recommendation of the Railway Board?

Mr. A. M. Hayman: I can only say at this stage that I will have the matter fully looked into, bearing in mind also what the Honourable Member has just said.

I think I had better at once pass on to deal with the question of discharges made in the superior establishments of our railways. Now, Sir, I must first explain to the House, and this is no new thing that I am telling the House because the House should be aware of it if it has read the memorandum that was discussed at the Central Advisory Council for Railways on the subject of the reorganisation of the superior cadres of our railway services. For more than nine or ten years the superior cadres of our railways were neglected, and as a result, the number of officers employed on our State-managed railways fell very short of what was required for the proper management of the railways, making due allowance for leave and deputation reserves. There is one other important matter to which I shall devote a little time. That important matter is this. The cadres of the superior establishments of railways in the past were framed on a basis which made no allowance for carrying on projects of new construction or big open line projects, with the result that when railways were called upon at any time to handle a big programme of railway construction or of open line works, they had to take away a fair proportion of their experienced officers from the open lines and fill their places by temporary engineers, and they also employed a fair proportion of temporary engineers on the new lines and for new works. This was not a very satisfactory arrangement. If we want to get the best out of those we employ, we should have some hold upon them. Now, Sir, it was not right, we thought, to employ temporary engineers who came in for a year or two and went away, on works of responsibility and on works where expenditure of large sums of money was involved. So, when we did consider the question of revising the cadres of the superior establishments of the State railways (and when that revision was taken up, I should like to say that we were not faced with the position with which we are now faced, *viz.*, that we cannot go in for new construction or new works for want of funds), we decided to remedy this defect. In framing those cadres we made allowance for a certain minimum number of posts which we thought would always be required to carry out new construction programmes and new open line works programmes as we might call it. Thus our new cadre was expanded first to provide a certain number of officers who were absolutely necessary to bring the strength of the establishment up to the minimum necessary to deal efficiently with the open line work of management, maintenance and operation. Next an addition was made of a reserve for leave and deputation purposes.

By putting such a reserve into the permanent cadre you have permanent and experienced employees to take up the work of permanent employees who proceed on leave or on deputation. Lastly, we made the addition I referred to previously in order to have permanent employees to take up responsible work of new construction involving large expenditure of money. The result of the revision was that the number of posts in the cadres of the superior establishments of the state-managed railways was increased from 942 to 1,078. (*Mr. B. Das*: "In which year?") The examination began soon after I took up my post, which was about April 1929, but the subject was of such intricacy and required such careful handling to see that while correct principles were adopted there was no extravagance that actual sanction was accorded some 12 or 15 months afterwards, by the authorities concerned.

After these cadres had been revised and sanction had been obtained to the revised cadres, the next step was to complete the cadres by bringing the actuals, *i.e.*, the number of officers in each service or branch, up to the sanctioned strength of the cadres. Now, by that time we had come into the period of financial depression and we had to realise that with the fall in our railway earnings we would have to curtail our construction and new works programme, and cut down open line expenditure too and that consequently it would not be fair to bring our actuals up to the full strength of the sanctioned cadre. So, the Railway Board refrained from filling in a large number of the posts which were on the sanctioned cadre. Sir, if we have discharged a smaller number of officers proportionately as compared with the number of subordinates that we have discharged, I want to make it clear that it is due to three causes, one, that we had a number of officers' posts in our superior establishments not filled up at the time that we began the economy campaign, secondly, that we had a large number of temporary officers who were filling posts in our permanent cadre who were brought under reduction and discharged, and lastly, I want to make this point, that at a time when we had to reduce our subordinate establishments to a very minimum required, so to speak to cut down the number to the very bone—we had to take good care to keep our supervision at that point which would enable us to conduct our business efficiently. (*Mr. S. C. Mitra*: "Less men, more supervision!")

No only the minimum supervision required. Sir, we had increased our cadre from 942 posts to 1,078. Soon after we took up the retrenchment campaign we made it our business to consider the reduction of the cadre, and here while we were still investigating the matter we received the help of the Report of the Railway Retrenchment Sub-Committee. Finally, we reduced the cadre from 1,078 to 933. Now, Sir, immediately we had decided upon reducing our cadre to 933, the first step that the Railway Board took was to see that the number of officers we had on duty was not more than 933. We have satisfied ourselves that that is the case. We had temporary officers on short term agreement and by having discharged them we brought the actuals down to the sanctioned cadre.

Lieut.-Colonel Sir Henry Gidney: Camouflage!

Mr. S. C. Mitra: What was the actual strength? It was not 1,078.

Mr. A. M. Hayman: The actual strength was 933 *plus* 53. I give this figure 53 a little reservedly because I have not had an opportunity to check it, but it may lie between 53 and 60.

I have just one word to say in connection with the discharge of temporary officers in reply to a point made by Colonel Gidney. The principles that we laid down for the discharge of subordinates were applied by us to our officers in that we said that if we actually make discharges then those who are inefficient must go and then those of short service. Now, if the Railway Board had not been far sighted and had not seen that it would be necessary to reduce the actual strength of the officers serving in the department, had not examined the claims of the temporary officers who were serving on short term covenant, I think it would be clear to the House that a very large number of young Indians who had been recruited on the 75 per cent. basis of recruitment in recent years would have been discharged under this economy campaign. If I may strike a personal note, it would have broken my heart if that had occurred, for in the few years immediately preceding we have been doing every thing possible to expand our recruitment, so that by our 75 per cent. recruitment of Indians we should bring in an adequate number of Indians.

I am glad that the challenge that we have treated officers better than men has been raised because there seems to be an impression in the House as well as outside that we have been treating our officers better than our subordinates. If ever there is a general order, which has to be applied to officers and subordinates alike, I made it a point of duty to tell my Chief that it must first apply to officers and next to the subordinates. But inasmuch as we did not fill up our expanded cadres and inasmuch as we discharged surplus officers even before we reduced our cadres to 933 we did in a way apply the orders fully and timely to the superior establishment.

Now, Sir, I would like to say a word about our temporary engineers. We have temporary engineers in our service who had ten years or more service in 1920, at a time when we introduced the provincial services. At that time these temporary engineers were told that for the purpose of retention in the service their claims would be considered *pari passu* with men who were in the permanent service, and that is why some temporary engineers in the state-managed railways have not been discharged. That answers, though only partly, the criticism made by Colonel Sir Henry Gidney. There is another answer and that is this. When we were doing some temporary work and we had temporary engineers employed in that work and the work was about to be completed in six or nine months, say, the construction of a bridge or a new line, it would have been wrong on our part to discharge the engineers employed on the work. They know exactly what they have got to do to complete the job and they have got the contractor's accounts to complete. This is why we are still employing some temporary engineers even though they have not very long service. Again, Sir, Sir Henry Gidney said that we filled posts in the lower gazetted service with people who are not entitled to be put into that service and he particularised some of the temporary engineers promoted to this service. Now, Sir, when we placed our recommendations on this subject, *viz.*, the creation of the lower gazetted service, before the Central Advisory Council, I think I am repeating the exact words of the relevant portion, we said, that the service is reserved essentially for the promotion of subordinates, with no outside recruitment. Now, Sir, we regard our temporary engineers as much entitled to promotion to the lower gazetted service as men in the subordinate service and that is our justification for selecting here and there a temporary engineer who has done very good work to fill a post in the lower gazetted service.

My Honourable friend Mr. Maswood Ahmad referred to certain discussions between the Divisional Officers of the North Western Railway and somebody else, and he appeared to think that Divisional Officers did not pay proper attention to the instructions of the Railway Board and that when retrenchments were made they were done in a manner which reacted to the detriment of the communities which were inadequately represented in the railway services. He also quoted some figures from a letter which we wrote to him in November 1931, in which we gave the total number of employees discharged in the North Western Railway and the number of Muslims discharged. The figures as quoted by Mr. Maswood Ahmad are quite correct. But I said yesterday that the North Western Railway had come very close to retaining for every community a percentage of representation after retrenchment which corresponded with what it held before retrenchment. In one instance, however, we found that a certain number of Muslims had been discharged, when by a proper application of these orders they ought not to have been discharged. I told the House that we had already taken action and written to the Agent to adjust this as quickly as possible as vacancies occurred. Now, this question whether the Railway Administrations have properly interpreted this order will come up again for the consideration of Government when they receive the Report of the Court of Inquiry. Government will then take measures to rectify anything wrong that has been done. I can give my Honourable friend Mr. Maswood Ahmad that assurance.

Sir, I am sorry that I have taken so long to put my case before the House. In concluding I wish to say that there is no interest to which I pay greater attention than that of the subordinate staff and there is no work to which I attach greater attention than to see that the interests of the subordinate staff, to which I had the honour to belong for many years, are adequately safeguarded.

Mr. M. Maswood Ahmad: Will my Honourable friend say if he is thinking of retrenching more staff?

Mr. A. M. Hayman: That is a very difficult question to answer precisely at this moment. We in the Railway Board are charged with the primary duty of managing the railways of India without a loss. If the earnings of the railways continue dropping as they have been doing in the last few weeks, *viz.*, by 20 lakhs to 25 lakhs, we shall be compelled to reduce expenditure further and if we reduce expenditure, *i.e.*, our working expenses, it necessarily follows that we shall be compelled to discharge staff surplus to requirements.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, it seems that we have been discussing the grievances of the railway employees of the railways from yesterday morning up till now. Sir, when I read the agenda paper and this particular motion by my friend, Mr. Maswood Ahmad, I thought he and his supporters would bring out facts and figures for compelling the Railway Board to devise ways and means for further retrenchment in the cost of the present administration of the railways, and, instead, we have from my Honourable friend, Mr. Maswood Ahmad and from his

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great supporter, the gallant Knight, Sir Henry Gidney, the ventilation in meticulous detail of the particular grievances of particular employees whom possibly they had the opportunity to meet somewhere, on the floor of the House. Sir, the result is that we have wasted precious time on the floor of the House. (Hear, hear.) Sir, I thought it was useless for me to intervene in this debate and to focus before the House the main question of retrenchment in the cost of railway administration, but my Honourable friend, Mr. Hayman, rather drew me into the field. He attracted the attention of the House, I may say, to what was the underlying policy of the Railway Board about retrenchment when he referred to the retrenchment policy of the Railway Board about the superior staff. Sir, I have said before, and I again state it here, the Railway Board have not faced the problem squarely and honestly, nor has even my Honourable friend, the Leader of the House and Member for Railways faced the problem squarely. My Honourable friend, Mr. Hayman, mentioned certain circulars to which the gallant Colonel, Sir Henry Gidney, referred also and which the Railway Board circulated last year to the Agents of different railways. Sir, that did not satisfy us in the main Retrenchment Committee of which my Honourable friend, Dr. Ziauddin Ahmad, is still a Member. The Railway Retrenchment Sub-Committee has reported, and we will hear later on from my Honourable friend, Dr. Ziauddin Ahmad, the disadvantages that that Sub-Committee went through and how that Sub-Committee was deprived of their inherent right to go into the administrative problem concerning the different railways and into the working expenses of the different railways. Sir, for a Committee of this Legislature not to be allowed by the Railway Board or by the Government to discuss problems that vitally affect the very terms of inquiry of the Committee concerned was the most surprising thing, and, Sir, that was one of the bitterest pills which had to be swallowed by Members from this side of the House. (*An Honourable Member*: "Did you swallow it"?) Sir, if I am to give my opinion on the retrenchment policy of the Government and the retrenchment policy concerning the railways, I say they have not so far only tinkered with that problem. For friends on my left, then, to come forward and ask, why was a particular person deprived of his appointment, and why this particular retrenchment took place at all, and so on and so forth, takes my breath away. Sir, my friend, the Honourable the gallant Knight, Sir Henry Gidney, when speaking in the general discussion, said that there was a time when there was a deficit of something like 18 crores on the railways, and why, he asked, are the Railway Board afraid of the present deficit of 7 crores to 8 crores? Why not, he asked, take it from general revenues, or get it somehow or other? Why not, he asked, increase the rates and the freights? Sir, my gallant friend forgot that there is such a thing as the last straw on the camel's back; and probably the number of passengers would have immensely increased but for the fact that the passenger fares are too high. Then, if there is not sufficient amount of goods moving about on the railways, it is probably because the freights are already too high.

Sir, if we take back the railways to the year 1920-21 and thereafter, just after the war, when the Government could not balance their Budget, when millions were squandered away by the policy of the then Finance Member through the then exchange policy, when the rupee went up to 2s. 8d., what happened? The rates and freights went up; and then today to hear from such a well-informed Member as my Honourable and gallant

friend, Sir Henry Gidney, why not raise the rates, why not raise the freights, what does it matter, let the services be paid, Sir, is indeed shocking! Does he plead for all the services? No. He pleads for the few that he represents on the floor of this House. Sir, if the whole industries are ruined, if trade and traffic are ruined, if the railways pay no dividends, all that does not matter a jot to my Honourable and gallant friend as long as the particular class he represents gets adequately and more than adequately paid. Of course he holds a brief on their behalf, and he is their representative here. But I want to know when my Honourable friend will speak on behalf of India! (*Voices*: "Never.") He says he is a statutory Indian. But does he speak and does he feel for India? Has he ever spoken a single word here to show that he feels for India? Never.

Lieut.-Colonel Sir Henry Gidney: You did not hear my speech today; otherwise you would not have questioned my attitude.

Mr. B. Das: Yes, he gave some advice to the Honourable the Railway Member how to increase the rates and freights. Sir, the Government, at the suggestion of the Railway Retrenchment Committee, wanted to postpone all consideration of retrenchment by appointing an expert Committee, but we know Government have their own ways: they could not appoint that expert Committee because the experts could not be found this cold weather. So easily they postponed it for another 12 years. (Laughter.) (*An Honourable Member*: "12 months".) Yes, 12 months and 12 years are the same with the Government. Sir, that means that the Government have not yet realized the gravity of the situation, the gravity of the mismanagement, the gravity of the mistakes, of the accumulating blunders that have been piled up higher and higher like the Himalayas—as my friend, Mr. Ramakrishna Reddi reminds me, like the Kangra Valley scheme, which have forced up the height of the Himalayan blunders of the railways. Sir, for any Government or any Legislature to plead incompetence because there are no experts available in India or inside this House or to fail to suggest ways and means is, Sir, a situation that I cannot accept and I think something is radically wrong. Probably the cold atmosphere that my friends from the Round Table Conference have brought here has brought that depressing atmosphere on the floor of this House (Hear, hear) so that nobody wants to face the situation. Sir, if everybody here, my friends of the European Group and even the Government, talk of the railways being commercial concerns, what does, I ask, a commercial management do? When a commercial concern does not pay its way, it applies drastic retrenchment and it even sacks the Manager and in the case of railways, pray, sack the Chief Commissioner, sack the whole lot of the Railway Board. I do not mean anything personal to my Honourable friend Mr. Hayman. Sack the whole lot, and as my Honourable friend Sir Henry Gidney said, sack the whole lot of Agents for their mismanagements, which have accumulated from generation to generation. Are we going to wait till certain experts come from Canada, from London, from Germany or from France and then are we going to be guided by their Western ideas, Western doctrines of efficiency and Western ideas of payment of high salaries to a certain number of Engineers as my Honourable friend Mr. Hayman pointed out their numbers being 933 *plus* 53 for leave reserve? Are we to see efficiency in every officer even in the Railway Member and the Financial Commissioner and other Members of the Railway Board, or are we to see that the commercial concern must pay its way? The Railway

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Board has not faced the problem. The Government of India have not faced the problem. My own suspicion is that since last year we heard murmurs that the railways are going to be made into a statutory body and probably the idea of Government is, let it go wrong till we bring it out under the management of a statutory body, something like the Port Trust of Calcutta. But as I want to raise a debate on that particular topic later on, I do not want to dilate at present on that particular aspect. I want to know whether Government cannot themselves apply their mind to further retrenchment. Why is my Honourable friend so partial to his Chief Commissioner, Mr. Russell? He said, when you want to shoot a tiger, better have a friend like Mr. Russell as the right companion. I know my Honourable friend went to shoot tiger in the Orissa jungle during the Christmas season, but I do not know whether Mr. Russell accompanied him. But if my Honourable friend means there are tigers sitting on the side of the Opposition and Mr. Russell is the right companion to take him through this band of tigers to the other side into the lobby . . . . .

The Honourable Sir George Rainy: On the whole I prefer that tigers should be in the other lobby, for they are not convenient neighbours.

Mr. B. Das: The tigers should be in the other lobby where Mr. Russell is, so that he may assist the Honourable Member to scare away all the tigers. I think Mr. Russell, as the Chief Commissioner, has not given my Honourable friend sound advice. I think if my Honourable friend Mr. George Morgan was made the Chairman of the Board of Directors of all the Indian Railways under a mandate from this Legislature, he would see that Mr. Russell and his friends are sacked for their inefficiency, year in and year out. What is the result? I will just quote from your (Mr. Deputy President's) own Report, Sir, the Railway Retrenchment Sub-Committee Report. I just refer to one statement showing the financial result of the State-owned railways from 1911 onwards, at page 133, appendix D. What does it reveal? In 1910-11, the capital charges were 482 crores, the gross receipts 45·94 crores, the working expenses were 24 crores and 48 lakhs. I may say that 1910-11 synchronized with the Minto-Morley reforms. Then I will give you the figures for 1920-21—the period of Montford reforms. The capital charges by that time had become 585 crores and the gross receipts were 80 crores and 98 lakhs, the working expenses 54 crores and 52 lakhs. That means that the working expenses had become doubled. Of course the gross receipts are about 170 per cent. Then I will take to the period just before the separation of railway finance from the general finance, 1923-24. The capital charges were 640 crores, the gross receipts 94 crores and 65 lakhs and working expenses 61 crores and five lakhs. Then let me take the present figure, in 1931-32. The capital charges were 795 crores, the gross receipts 101 crores and the working expenses 66 crores. I quote these three periods just to analyse the situation. Whenever the public demand more freedom and more constitutional rights and more control over Government, the Government on that side shape their machinery in such a way that the imaginary control for which we fight slips out from this side and more control goes to that side and money is spent in a reckless manner which no commercial concern will ever tolerate. In ten years from 1910-11 and 1920-21 the working expenses have increased by 125 per cent., which shows what the Railway

Board could do. In 1923-24 the working expense was 61 crores and since then it has gone on increasing till it has become 66·43 crores in 1931-32. At the same time Government went on increasing their capital charges by nearly two hundred crores and as you (Mr. Deputy President) were saying the other day, Sir, this has raised the interest charges. The total interest charges that were payable in 1910-11 was 18 crores and 48 lakhs. In 1920-21 it was 20 crores and 81 lakhs and in 1923-24 it was 27 crores and to-day it is 33 crores and 35 lakhs. So, the obligatory charges on the railways have gone up, the working expenses have gone up, and the picture that was so sweetly drawn by Sir Charles Innes—I do not know whether my Honourable friend Sir Alan Parsons was a Member then, my friend tells me that he was a Member and I am so happy to hear that—the picture that Sir Charles Innes drew was, "A new heaven will come the moment we separate railway finance from general finance, that there will be commercial management that Indians will be taken in large numbers that there will be 75 per cent. Indianisation and that there will be saving on account of the Lee concessions not having to be paid for the Indians" I want to know whether there has been any real economy, whether there has been any real efficient management. The working expenses have gone up, the interest charges have gone up, and to-day the income has gone down to the tune of 86 crores, and as I said the other day it will go down still further to 80 crores in view of the political situation for which the Honourable Member of the front Treasury Bench are responsible.

Mr. S. C. Mitra: What about the extension of mileage?

Mr. B. Das: Extension of mileage does not mean perpetual loss, and who will bear the loss? My Honourable friend Mr. Mitra if he turns to the pages of the Ackworth Committee's Report will find that under the system of guaranteed dividend of the Company-managed railways the tax-payers paid crores and crores from the general revenues, and if I recollect rightly it was to the tune of 300 crores or more. That was written down as money paid from the general revenues, as interest charges of the Company-managed railways for their guaranteed interest. So it is no use. If my friend Mr. Mitra were Chairman of the Board of Directors of a particular railway, he would not listen to the plea that a thousand miles of railways have been increased and therefore the working expenses and interest charges have gone up; and on that ground he would not absolve his Agents and Chief Engineer, for running the railway at a heavy loss. That is not the proper way to do it. We must go to the root cause of all this over-expenditure on the railways. Why is it that the railways that are in the Indian States pay such high dividends? Of course it may be pointed out that they have not got those luxurious saloons to which not only my friend the Railway Member is accustomed, but my friend the Financial Commissioner and other Members of the Railway Board are accustomed and even the smallest officers like Traffic Superintendents and the Engineers are accustomed. They may point out that the Jodhpur Railways, the Bikaner Railways and the Railways in the Kathiawar States do not provide such luxurious saloons and modes of travelling. But they do one thing: they cut their coat according to their cloth, they always derive a profit on the capital invested. Why should not that be the Government policy? Unfortunately the Government policy is not a national policy. There is the real Indian interest and the British interest. We know wagons were ordered. Why were they ordered? Because

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certain canvassers from British firms that came here wanted orders for locomotives and wagons. And after the war every Englishman serving in India became more patriotic than he really was. So orders for locomotives and wagons were placed in England. They were not required at all for the railways.

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

Then other things happened. The electrification of the railway lines took place at that time. I do not know if there is any Member of this House who was a Member of the Standing Finance Committee, except Sir Hugh Cocke and my Honourable friend the Deputy President. They sanctioned these projects, but some of us felt very seriously over it. I would like to know whether this 5 crores of additional expenditure on the electrification of the G. I. P. and B., B. & C. I. Railways and also in the Madras Railways will have any effect on the earnings of companies. We were advised—and if the Honourable Member challenges me I can quote from his speech and from the speeches of his predecessors—that they were doing it for real efficiency of running and for saving time and coal cost, etc. And we know what happened. They could not trust the Tata Hydro-Electric Company and they spent a crore and more to instal a power house at Kalyan. And it was found that while Tatas were offering to give electricity at less than half an anna, the Government cost of production per unit is much higher. Of course my Honourable friend can say what is the present cost of generation of electricity at Kalyan power house. But this policy of railway electrification is due to the high-fangled ideas of your engineers. Whenever they read in an engineering journal or a railway magazine that a particular improvement has taken place in England or America or Canada, they think of transplanting it to India. But does the economic condition of India justify that transplantation? The Honourable the Railway Member cannot deny that his predecessors gave an assurance to this House that by electrification of railways there would be a saving and there would be more profit on the G. I. P. Railway or on the other railways. I want to know if it has been so. I want to know also whether the remodelling of railway stations like Bombay, Cawnpore and Lucknow and some places in Madras which was done on the ground that goods trains will be shunted in a lesser period of time than before and savings would accrue, has brought any apparent result on the income of these railways. I say it has not done so, and those of us who were doubting Thomases used to say that this would never happen, and it is only your extravagance which will drive the country to the verge of ruin. Sir, that is just what has happened; and only the other day during the general discussion one of my friends pointed out that when the estimates for these capital projects and so called extensions of thousand miles were submitted before the Standing Finance Committee, they were supposed to give an yield of 5 to 7 per cent. But after four or five years of running they are yielding ·553 per cent., and some of them are running at a cost of minus so much per cent. Why is it so and who is to blame? Under your State service rules no engineer can be brought to book or be impeached before this House or before the courts of this country for bad estimates and wrong designs and for committing the country to crores of rupees on account of which generations unborn will have to pay heavier taxes or

heavier rates so that the interest on borrowed money can be paid. I know no experts can cure the disease which the Honourable Member has in mind. An expert Committee will think of efficiency and Western efficiency. What India requires is a Committee with such terms of reference that the railways must make both ends meet; they must make every year a regular contribution to the general revenues and must lay by every year so much for the Depreciation Fund. It must also every year transfer so much to the Reserve Fund. Is it a happy state of things that the Reserve Fund is washed away already and the Depreciation Fund that was carefully built up has now totally vanished? That is not a happy state of things and then the Government allow one more year to pass and they tinker with retrenchment by the dismissal of 45,000 wage-earners and 53 men on the superior services. I do not know whether these men had 35 years service or 40 years service on the railways because it sometimes happens that in the railway service a man can work even for 50 years.

4 P.M.

I do suggest to the Honourable the Railway Member to do something drastic. I want him to depute a railway official to all the countries of the world, not merely to sit in the Assembly Library and Railway Library to compile figures of working expenditure of different railways, but to find out where the real defect lies: I want him before he sends out such an officer to find out whether he has an Indian outlook or an European outlook, if he has got a high-fangled outlook of a European that every thing must be to the British standard where the *per capita* income is £100, whereas in India the *per capita* income is only Rs. 30 per annum—I want him to send a sympathetic official to find out and study railways all over the world: he has got six or seven months before this expert Committee comes in October or November next and this officer could in the meanwhile collect those statistics. Let him go to South America where people are not as extravagant as they are on the continent or in the United States or Australia. Let him go to those poor countries, like Brazil and other States in South America where people try to live within their means and are not always subjected to the tragedy to which we as a subject nation are subjected: owing to the pitiable condition that we are a subject people, the Government can go on multiplying taxation, multiplying rates and fares: and on whose advice? At the instance of my friend, Sir Henry Gidney, so that a few friends of his can draw their monthly wages. I hope that not only will my suggestion be accepted, but in the meantime let not he and his successor throw their hands up and say, "We cannot do anything: we have done enough; let those experts come; let them advise and then we will do something." Adopt a drastic retrenchment policy. Send away your high-salaried officials. The railways cannot afford to pay such high salaries to your engineers, to your foreign-recruited superintendents, to your Members of the Railway Board. That reminds me of one little recommendation of the Railway Retrenchment Sub-Committee. They asked that one Member of the Railway Board should be abolished. I want to know why that has not been done: a little sum of Rs. 60,000 would have been saved . . . .

Sir Alan Parsons (Financial Commissioner, Railways): If I may explain: at present we propose to do without two. This was shown in a statement presented last session.

Mr. B. Das: I am glad of the explanation: that shows the amount of extravagance on the railways: they knew two Members of the Railway Board were not necessary: yet they had increased the number to five. (Laughter.) I was the man in 1929-30 who first gave warning and asked the Government to retrench—while discussing the Railway Budget. It was unheeded. Last year also I gave the warning; but even then, the Railway Member, who was and is always in the confidence of his colleague the Finance Member, never gave us any idea that there was going to be such financial disaster in the country. But when the Honourable Member introduced his Finance Bill on the 28th February, 1931, then only this House grew more restive and pressed for the appointment of a Retrenchment Committee. I ask my Honourable friend the Leader of the House to point out to me one passage of his speech which he delivered last year in the Railway Budget that he was alive to the gravity of the situation and that he wanted to take drastic action. Of course one could understand. He has received such nice compliments from all sides of the House about his genial manner; and he probably thinks, "When I am going away why should I annoy the services?" Probably my friend, Colonel Sir Henry Gidney's men would not offer him a boquet at the Bombay station when my friend the Railway Member bids good-bye at the Ballard Pier. The Honourable Member will be here a few months more and I appeal to him as there is no greater expert—economic and financial—than the Honourable the Railway Member. I ask him to separate his economic and financial conscience as the Railway Member from his political conscience as a Commerce Member, and then apply those tests which he applied always as the Chairman of the Tariff Board when giving protection to the various industries that came up before him. If he applies those tests which he applied as Chairman of the Tariff Board, I can say that whatever he writes this House will accept as the final decision and will accept them without asking him to bring out an expert Committee from abroad. Will he do that? I do not know whether he can do that or whether his colleagues on his right will allow him to do it.

I have only to reply to one point to my friend Mr. Hayman. Is it necessary that in this time of stress and strain you need so many high officials—933 engineers—in the railways?

Mr. A. M. Hayman: Did the Honourable Member say 933 engineers? 933 is the total superior establishment in all branches on State-managed railways.

Mr. B. Das: If my Honourable friend will see the statistics of the Mysore Railway, he will find how many superior officers there are. Take the Nizam's State Railway also; they have not got the same soft cushions that my Honourable friend provides in the Indian State-managed railways. Still those railways run to time, and I have never missed any train when I travelled in those parts or even in the Company-managed railways in my friend the Deputy President's part of the country. I think the time has come when you can do away with half the officials in these high posts. It can be done: but if my friend wants to obey the mandate of the political conscience of his *guru* the Honourable the Railway Member, then of course he cannot do it, because, was it not a fact that in the first Round Table Conference among the safeguards railways was one of the subjects and employment of Europeans and Anglo-Indians were part of those safeguards? If that be so, then my Honourable friend the Leader of the House cannot

advise his friend Mr. Hayman to apply a scientific test as to the number of higher officials that could be employed. At the same time when you want money, when the railways are so hard up, when the railways are running at a loss of about 11 crores, can't you do away with the leave reserve? Can't you do away with the Lee concessions that were given in 1924 and extended to everybody in India who said that his grandfather came from Damascus or Australia? (Laughter.) I remember, Sir, a case in the department of my Honourable friend, Sir Joseph Bhore. A gentleman who had never been abroad and whose colour was darker than mine put up a petition for the Lee concessions, and I think my Honourable friend will be able to unearth that case from the archives of his department. There are many such cases. But are we going to play with the money of the tax-payer when we are borrowing money to pay the interest charges? What right have the railway officers got to demand Lee concessions or special pay? It is all a question of supply and demand. They can demand any salaries they like, because the heaven born Civil Servants draw high salaries. But can the railways afford to pay those high salaries? Let us judge the question on merits. It is time that the Railway Board and the Honourable the Railway Member judged this question on merits; if not, Sir, the consequences will be that you will be committing not only me and my generation, but the generations to come to heavier expenditure and heavier taxation and heavier cost of living for which there will be a revolt in the country which will be unparallelled, and compared to which the Satyagraha movement and the Ordinance *raj* will be nothing.

Dr. Ziauddin Ahmad: Sir, I do not wish to detain the House very long, but I would just like to draw the attention of the Honourable the Railway Member to only one or two points. The Railway Retrenchment Committee examined the expenditure under Demands Nos. 1 and 2 particularly, and there they reduced the expenditure in the case of the Railway Board from 10·30 lakhs last year to 7·75 lakhs. There has been a definite saving. The same was the case under Demand No. 2, and I think it is rather unfair to the Railway Board themselves that their expenditure was reduced by 25 per cent., and nothing was done in the running lines. When I come back to the running lines I say under Demand No. 5 for the reduction in the working expenses of which Mr. Hayman has taken so much credit, I find there has been an actual increase in expenditure by 2 crores, 73 lakhs. Last year you demanded 34 crores, and this year your demands are 36·73 crores. Therefore, there has been an actual increase by about 2·73 lakhs in spite of all the steps you profess to have taken, and taking the total of all the expenditure, I find that the total expenditure last year was 94·12 crores and this year, after taking all the measures for economy, it has actually increased. It is 94 crores and 30 lakhs. That is, an actual increase of about 18 lakhs. That is retrenchment in the negative. Mr. Hayman gives us to understand that he has issued instructions, and we are thankful to him for it, to the Railway Agents concerned, but I should like to have a sort of definite assurance on behalf of the Railway Board from the Railway Member whether their instructions were carried out by the Agents and whether they are prepared to mention what steps they would like to take if their instructions are not carried out by the Agents, and I should also like to have an assurance that the instructions issued by the Agents to Divisional Superintendents, were carried out and if not, what disciplinary steps it is proposed to take. On these two points, Sir, I should like to have some sort of

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statement either now or at any time during the debate. My impression is that every one of those subordinate officers considers himself to be demigod and resents interference from above.

The Honourable Sir George Rainy: Sir, I do not think I need say more than a very few words, because my friend Mr. Hayman dealt very fully with what fell from the first two speakers on the subject of retrenchment. Since my Honourable friend Mr. Das began his speech, I have been spending my time trying to see him in the light of a tiger. I never thought of him as a tiger, and if he is a tiger, I am afraid I should describe him as a tiger in sheep's clothing and without the ferocity which is characteristic of the animal in question. One of the injunctions Mr. Das gave was that we must cut our coat according to our cloth. He also suggested that we *must* pay a very large contribution to the general revenues. That means rather a large coat, but will my Honourable friend provide us with the cloth from which to make that coat? I do not think there his injunction was quite consistent with what has gone before. I will not follow him into all the details of the matters to which he referred, extending back at least to 1910, and in one case, namely, the guarantee to all company-managed railways, going back I suppose to about 1852. All these are old matters, which I think at one time or another have all been discussed in this House. But we are always indebted to Mr. Das for the real interest he takes on the subject of economy and his genuine desire to see it carried out. He does not like the proposal of an expert Committee at all, and he seemed to think that, with the aid of my Tariff Board experience, I was sufficiently qualified to prescribe for all the ills to which the railway system may be liable. He may be right, but I cannot honestly say that I think so. My experience is that when you are ill, it is better to call in a doctor who has been accustomed to treat the disease before, and I must frankly say that on railway matters all my knowledge is really that of an outsider; I only see these questions at rather long range. I have every hope that we shall have the expert Committee next cold weather, and I have not the least doubt you ought to have a great deal of good from their services.

Then, Sir, with regard to what fell from Dr. Ziauddin about the increase of expenditure under repairs and maintenance in Demand No. 5, I think he will find that this is explained both in the notes on pages 10 and 11 of the Demand for grants and in the Railway Board's Memorandum. Paragraph 20 of the Railway Board's Memorandum is the relevant paragraph, which explains that there has been an increase under "operation", but that is balanced to a very large extent by a decrease under another head. That is really a matter of accounting.

Now, Sir, before I sit down, I should like to say one word as regards what fell from the first two speakers. Both the Government of India and the Railway Board regard it as of very great importance that in this matter of discharges, all possible consideration should be shown, and I can assure the House that the Railway Board, and especially Mr. Hayman, have given this aspect of the case the very closest attention and that they will continue to do so. For the rest, as regards some of the matters to which Colonel Gidney referred, he himself, I know, will recognise we must await the Report of the Court of Inquiry, and I hope it will not be long now before it is published. That, Sir, is all I have to say.

Mr. M. Maswood Ahmad: As stated by my Honourable friend Mr. B. Das, I did not discuss the individual cases; I have merely placed before the House the policy which I think should be followed for all sons of the mother country, whether white, brown, or black and which is the just policy in my opinion. I am not satisfied with the way in which the retrenchment policy has been worked out.

Mr. President: The question which I have now to put is:

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

The Assembly divided:

AYES—17.

Abdul Matin Chaudhury, Mr.
Anwar-ul-Azim, Mr. Muhammad.
Azhar Ali, Mr. Muhammad.
Badi-uz-Zaman, Maulvi.
Ghuznavi, Mr. A. H.
Gidney, Lieut.-Colonel Sir Henry.
Ismail Ali Khan, Kunwar Hajee.
Maswood Ahmad, Mr. M.
Muazzam Sahib Bahadur, Mr. Muhammad.
Murtuza Saheb Bahadur, Maulvi Sayyid.
Patil, Rao Bahadur B. L.
Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
Reddi, Mr. T. N. Ramakrishna
Shah Nawaz, Mian Muhammad.
Suhrawardy, Sir Abdullah.
Sykes, Mr. E. F.
Ziauddin Ahmad, Dr.

NOES—61.

Abdul Qaiyum, Nawab Sir Sahibzada.
Acott, Mr. A. S. V.
Allah Baksh Khan Tiwana, Khan Bahadur Malik.
Allison, Mr. F. W.
Anklesaria, Mr. N. N.
Azizuddin Ahmad Bilgrami, Qazi.
Bajpai, Mr. R. S.
Banerji, Mr. Rajnarayan.
Bhore, The Honourable Sir Joseph.
Biswas, Mr. C. C.
Brown, Mr. R. R.
Clow, Mr. A. G.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crerar, The Honourable Sir James.
Dalal, Dr. R. D.
Fox, Mr. H. B.
French, Mr. J. C.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Hayman, Mr. A. M.
Heathcote, Mr. L. V.
Howell, Sir Evelyn.
Jawahar Singh, Sardar Bahadur Sardar.
Macqueen, Mr. P.
Misra, Mr. B. N.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank,
Pandit, Rao Bahadur S. R.
Parsons, Sir Alan.
Rafiuddin Ahmad, Khan Bahadur Maulvi.
Raghubir Singh, Kunwar.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rama Rao, Diwan Bahadur U.
Rastogi, Mr. Badri Lal.
Ryan, Mr. T.
Sahi, Mr. Ram Prashad Narayan.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Seaman, Mr. C. K.
Sen, Mr. S. C.
Singh, Kumar Gupteshwar Prasad.
Studd, Mr. E.
Sukhraj Rai, Rai Bahadur.
Tait, Mr. John.
Wood, Sir Edgar.
Young, Mr. G. M.

The motion was negatived.

Favouritism in the Railways.

Mr. M. Maswood Ahmad: I move:

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

I have shown in my previous speech and also others that there is favouritism in the matter of railway retrenchment and railway recruitment. The question of favouritism is very clear from the cases quoted by my Honourable friend Sir Henry Gidney and the cases I quoted. The action of the Railway Board was also not satisfactory in this connection. I therefore move my cut without any further speech.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): On a point of order, Sir. We are in the second day of this discussion and as the House will observe we are still on Demand No. I and not finished with the amendments of my friend Mr. Maswood Ahmad. It was the practice in the first Assembly to limit the speeches to ten minutes.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): A suggestion has been made by the Leader of the Nationalist Party that there should be a time limit of 10 minutes. Honourable Members are aware that in regard to procedure of this character the Chair has left it to the House itself to decide whether they wish to impose such a time limit upon themselves. The Chair has also declared repeatedly that it will not accept any change in the procedure unless the House is practically unanimous. I would therefore ask Honourable Members to say whether they desire to impose upon themselves a time limit of 10 minutes for speeches. (*Several Honourable Members*: "No".) Then there will be no time limit.

Rao Bahadur B. L. Patil (Bombay Southern Division: Non-Muhammadan Rural): It has been ruled in the past that when different motions are going to be moved, discussion on a particular motion should not be allowed if it has been already covered by previous discussion.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): If it is the Honourable Member's contention that favouritism has been amply discussed already on other amendments, the Chair cannot accept that contention.

Mr. A. H Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Sir, last Monday I had briefly referred to favouritism that prevails in the Railway Board's coal purchases and in the administration of railway collieries. I now desire to deal fully with this form of favouritism in the Railway Department. Before I do so, I desire to assure the House that when I made certain statements on last Monday, I did so with the fullest sense of responsibility.

The Honourable Sir George Rainy: On a point of order. The Honourable Member proposes to resume the subject which he discussed last Monday. May I ask your ruling, Sir, whether that is covered by the phrase "favouritism". It is clear that the Honourable the Mover did not include it in what he meant by that term, for he clearly referred to favouritism in the treatment of officers and subordinates in the railways.

Mr. President: Has the Honourable Member anything to urge against the point of order that has been raised?

Mr. A. H. Ghuznavi: Yes, certainly. I mentioned distinctly that favouritism was prevailing in the purchase of coal and in the management of collieries. Therefore it does come within the purview of this motion.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I should like to point out that the statement that the Honourable gentleman made the previous day cannot come under favouritism as contemplated by the Mover of this motion, judging it from the Mover's own speech and therefore we cannot have a reiteration of that statement under cover of "favouritism."

Sir Alan Parsons: May I also point out that there is a motion standing in the name of Mr. Ghuznavi, that is No. 56 on the Order Paper, in which the specific subject which he is now proposing to discuss is raised.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair has considered the point of order raised and it feels that it is rather far fetched to introduce this subject when discussing a motion dealing with favouritism in the railways. Favouritism in the railways, as explained by the Honourable the Mover, cannot be construed to cover the particular subject which the Honourable Member wishes to raise, and having regard to the fact that there is on the agenda a motion from the Honourable Member dealing with that specific grievance of coal purchases, he will have an opportunity to deal with it if it is reached. Therefore the subject which the Honourable Member proposes to raise cannot be held to be relevant on the present motion.

Lieut.-Colonel Sir Henry Gidney: I rise to take part in this debate as I wish to associate myself with the remarks of the previous speaker. Sir, in addition to what has been said, I may inform this House, though it is extremely difficult to prove to the hilt, that favouritism does exist and this cannot be denied. Sir, I again repeat it is very difficult on the floor of this House to bring forward concrete evidence in support of the assertion. But when you have certain employees with 20 and 25 years' service, with clean previous records who unfortunately, in the early days of their service, came under the disfavour of some one of their superiors, retrenched and other men with two or three years service, with bad record, retained I would like to know whether you would call this 'favouritism' or not. I bring to my mind a well-known case with which the Railway Board is familiar, a case which I brought up before the Agent of the railway concerned. I repeatedly brought it up before the Railway Board and they sent a Member to inquire into it. That Member tried to adopt the attitude of the heavy father towards me and told me that if I brought such cases against the railways I was doing my community no good. I again pressed the case. The Railway Agent took no notice of it. The Railway Board said that they could not interfere. I am not surprised at their stereotyped reply to such cases. "The Railway Board regret they see no reason to interfere with the decision of the Agent," and why, because they have no time to inquire into all the malpractices on certain railways. I must admit on the floor of this House that the Honourable Member, who has a high sense of justice, has remedied many cases of injustice I and others have brought to his notice. What happened is this. I did not stop, I reported it to H. E. the Viceroy.

Mr. B. Das: Can private talks be mentioned here?

Mr. President: The responsibility rests on the Honourable Member.

Lieut.-Colonel Sir Henry Gidney: Sir, I accept the responsibility. The result was this. An inquiry was made and the Railway Board, be it said to their credit, gave every assistance in that inquiry, and that subordinate was put back into his original appointment on which he had a lien, and I repeat this stands to the credit of the Railway Board but not to the credit of the Railway Administration. I could multiply instances. I know a case, a temporary Assistant Engineer now in the lower gazetted service, who is not qualified in engineering and who had only passed the Senior Cambridge Examination, being put into the lower gazetted service because he was the son of a railway official. If these are not glaring cases of favouritism, I would like to know what they are. Sir, favouritism does exist and to a serious extent on some railways and the Railway Board cannot do anything to check it. (Hear, hear.) But I would suggest two ways by which it can be stopped to a large extent. One is, do not give power to upper subordinates, and by upper subordinates I include Head Clerks and Superintendents of local offices. Deprive them of all such power of recommendations and selection and let every job be advertised. Secondly, let there be Selection Committee appointed on every railway for all subordinate jobs. Mr. Hassan's Report proves conclusively that there are railways on which vacancies are not advertised and there are railways on which no Selection Committees exist and all selections are made by individual officers.

Mr. S. C. Mitra: They all go to Anglo-Indians!

Lieut.-Colonel Sir Henry Gidney: That is a wholly incorrect statement. If these two measures are adopted, they would certainly, in a large measure, kill this practice of favouritism and the whims and fancies of superior officers will be checked.

Mr. S. C. Mitra: Sir, I am very glad that my Honourable friend, Sir Henry Gidney, has taken up this very motion to support it because he and his community have the best experience and really are in the best position to tell as about the operation of favouritism. (Loud Applause.)

Lieut.-Colonel Sir Henry Gidney: On a point of personal explanation, Sir. Will the Honourable Member please say . . .

Mr. President: That is not a personal explanation. The Honourable Member is asking a question.

Mr. S. C. Mitra: I am also glad, Sir, that my Honourable friend has quoted Mr. Hassan as his authority. Now I shall not only offer some remarks but I shall quote from that very report to show that the Moslem representation was really and, if you look into the figures closely, is worse than even what Mr. Hassan has brought out. Incidentally, I may say that I did not agree with my Honourable friend, Bhai Parma Nand when he gave figures for all sorts of people to show, taking into account the lowest services and even the menials—that the Moslems got nearly to their share of 25 per cent. Mr. Hassan did a public service by collecting figures in his report for all the officers who get a salary of more than Rs. 150 per month.

Any salary less than Rs. 150 is not even a living wage, I think. Now if you will kindly see the figures supplied in this book, they will show you vividly how favouritism has got a prominent place in the Railway Administration. I am quoting from page 49 of Mr. Hassan's Report, and I take the Eastern Bengal Railway first. Sir, the percentage of each community in the posts on a minimum pay of Rs. 150 or more is as follows:

Traffic Department (Transportation):

	Total No.	Percentage.
Anglo-Indians	44	41·91
Hindus	32	30·48
Europeans	27	25·71
Indian Christians	1	·95
Muslims	1	·95

So that there is one Muslim only.

Then the following figures are given for men above Rs. 150: from the Locomotive Department (Power):

	Percentage.
Anglo-Indians	52·38
Europeans	47·62

Not a single Hindu, and not a single Muslim.

Then on the next page, the following percentages for each community are given of salaries over Rs. 150 per month in Traffic Department (Commercial):

	Percentage.
Hindus	45·45
Anglo-Indians	29·54
Europeans	9·09
Muslims	6·82
Sikhs	4·55
Indian Christians	4·55

Further below on the same page the percentage of each community of men on Rs. 150 and above is given, as follows: in Locomotive Department (Carriage):

	Per centage.
Anglo-Indians	52·63
Europeans	31·58
Hindus	10·53
Muslims	5·26

Then lower down as regards the Locomotive Department (Workshop) the figures are as follows for salaries over Rs. 150:

	Percentage.
Anglo-Indians	42·54
Europeans	39·55
Hindus	13·44
Indian Christians	1·49
Parsis	1·49
Muslims	1·49

[Mr. S. C. Mitra.]

Then on the next page, page 51, as regards the Civil Engineering Department, the following figures are given:

	Percentage.
Hindus	70·22
Anglo-Indians	13·48
Muslims	7·87
Europeans	5·06

and so on, but here the figures are higher because I am reading out the figures for the whole service. I shall just read out to you, Sir, the figures concerning people who get Rs. 150 or more in this Department:

	Percentage.
Hindus	62·77
Anglo-Indians	19·15
Europeans	9·57
Muslims	4·26
Sikhs	2·13
Indian Christians	1·06
Parsis	1·06

Then for the Stores Department the percentage of each community in the posts on a minimum pay of Rs. 150 or more is given as follows:

	Percentage.
Hindus	56·25
Anglo-Indians	31·25
Europeans	12·5

Then as regards the Medical Department (page 52):

	Percentage.
Hindus	46·15
Anglo-Indians	42·32
Muslims	7·69

Then take the North Western Railway (see page 54): Transportation (Traffic) of salaries of Rs. 150 and above per month:

	Percentage.
Europeans	42·86
Anglo-Indians	20·67
Hindus	19·45
Muslims	6·08

Mian Muhammad Shah Nawaz: In a province where the Muslim population predominates!

Mr. S. C. Mitra: Then the percentage of each community in the posts a minimum pay of Rs. 150 or more is given as follows of Commercial Department:

	Percentage.
Hindus	43·24
Muslims	20·27
Europeans	14·87
Sikhs	10·81
Anglo-Indians	9·46
Indian Christians	1·35

Then for the Transportation Branch (Power) page 55, the figures are as follows:

	Percentage.
Europeans	43·02
Anglo-Indians	36·05
Muslims	9·3
Hindus	8·14

Then on the next page the figures for the Mechanical Engineering Department are given for men on Rs. 150 and above, and they are as follows:

	Percentage.
Europeans	40·64
Anglo-Indians	36·45
Muslims	7·88
Hindus	6·41

Then as regards the Medical Department on page 57 the following figures are given:

	Percentage.
Anglo-Indians	76·19
Hindus	14·29
Indian Christians	9·52

Muslims, nothing. (*An Honourable Member*: "Very fine.") Sir, I shall read every series of figures so that there may not be any complaint. Now on page 58, the following figures for the Great Indian Peninsula Railway are given for men on Rs. 150 and above for the office staff:

	Percentage.
Hindus	53·26
Indian Christians	14·56
Muslims	10·73
Europeans	10·34
Anglo-Indians	4·98

Then on page 59 the following figures are given: for Transportation Department:

	Percentage.
Anglo-Indians	43·74
Europeans	26·5
Hindus	13·16
Indian Christians	11·47
Muslims	2·97

Then for the Traffic Department (Commercial) the following figures are given:

	Percentage.
Hindus	61·04
Anglo-Indians	12·99
Indian Christians	11·69
Europeans	7·79
Muslims	5·19

[Mr. S. C. Mitra.]

Transportation Department (Power):

	Percentage.
Anglo-Indians	53·91
Europeans	35·52
Indian Christians	4·44
Parsis	3·38
Hindus	2·33
Muslims	·21
Sikhs	·21

Transportation Department (Carriage):

	Percentage.
Indian Christians	42·68
Hindus	28·05
Anglo-Indians	23·17
Europeans	4·88
Parsis	1·22

Workshops (Mechanical Engineering):

	Percentage.
Anglo-Indians	44·75
Europeans	28·17
Indian Christians	11·05
Hindus	9·95
Parsis	3·87
Muslims	1·93
Sikhs	·28

Civil Engineering:

	Percentage.
Hindus	32·63
Anglo Indians	31·05
Europeans	13·68
Indian Christians	7·9
Parsis	6·32
Muslims	5·26
Sikhs	3·16

Watch and Ward Department:

	Percentage.
Europeans	46·14
Hindus	15·39
Muslims	15·39
Anglo-Indians	15·39
Parsis	7·69

Now about the East Indian Railway Office Staff:

	Percentage.
Hindus	63·09
Europeans	16·82
Anglo-Indians	15·91
Muslims	2·72
Indian Christians	·46

Commercial Department:

	Percentage.
Hindus	38·62
Anglo-Indians	26·72
Europeans	25·00
Muslims	12·07
Sikhs	1·73
Indian Christians	·86

Transportation (Power) Department:

	Percentage.
Anglo-Indians	52·75
Europeans	46·52

Mechanical Engineering Department:

	Percentage.
Europeans	42·94
Anglo-Indians	42·37
Hindus	10·73
Muslims	2·26
Sikhs	·75
Indian Christians	·57
Parsis	·38

Stores Department:

	Percentage.
Anglo-Indians	35·82
Hindus	34·33
Europeans	25·37
Muslims	2·99
Indian Christians	1·49

Carriage Department:

	Percentage.
Anglo-Indians	48·27
Hindus	20·69
Europeans	12·07
Muslims	12·07
Sikhs	6·9

Civil Engineering Department (Ways and Works):

	Percentage.
Hindus	38·24
Anglo-Indians	34·97
Europeans	18·3
Muslims	3·92
Sikhs	3·59
Indian Christians	·98

Mr. President: Need the Honourable Member read any more extracts?

Mr. S. C. Mitra: I think these figures will prove conclusively where the favouritism is. I am glad that my Honourable friend Sir Henry Gidney

Mr. M. Maswood Ahmad: Sir, I am very thankful to Honourable Members who have supported this motion and I will only add two or three figures to those which my friend over there has mentioned. In the Accounts Branch the total subordinate staff is 5,858. The percentage of Hindus is 88·38 per cent., Muslims 9·63 per cent., Sikhs 2·70 per cent., Anglo-Indians 1·74 per cent., Indian Christians 1·47 per cent., Parsis ·58 per cent., and Europeans ·55 per cent. In the same Branch in the North Western Railway, the total number is 1,335 out of which the Muslims are 19·38 per cent. only, and of the other communities the Hindus are 71·39 per cent., Sikhs 8·81 per cent., Indian Christians ·52 per cent., Anglo-Indians ·37 per cent., and Europeans ·08 per cent. The percentage of each community in the posts the minimum of which is Rs. 150 or more is as follows: Muslims, 12·5 per cent., Sikhs 9·37 per cent., Indian Christians 4·69 per cent., Hindus 73·44 per cent. On the Eastern Bengal Railway the figure is, Muslims 3·83 per cent., Anglo-Indians 1·84 per cent., Indian Christians ·76 per cent., and Hindus 93·57 per cent. The percentage of each community in the posts the minimum of which is Rs. 150 or more, Hindus 79·4, Anglo-Indians 11·77, Muslims 8·82, in East Indian Railway Muslims are 3·59 per cent., in Great Indian Peninsula Railway 2·41 per cent., and on pay of 150 or more on this Railway, Muslims are *nil* . . . .

Mr. President: Need the Honourable Member read out all these figures?

Mr. M. Maswood Ahmad: Sir, it is clear from all this that favouritism exists, but with the permission of the House I want to withdraw this motion, and do not want to press it. My intention was only to draw the attention of the Railway Board to it.

Mr. President: Has the Honourable Member leave of the House to withdraw his motion?

(Leave was refused).

Mr. President: The question is:

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

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 3rd February, 1932.

SECRET MAY

LEGISLATIVE ASSEMBLY

Thursday, 3rd March, 1932.

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

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following message has been received from the Council of State:

"I am directed to inform you that the Council of State has, at its meeting held on the 2nd March, 1932, agreed without any amendment to the Bill further to amend the law relating to the fostering and development of the bamboo paper industry in British India which was passed by the Legislative Assembly at its meeting held on the 24th February, 1932."

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

DEMAND NO. 1—RAILWAY BOARD—*contd.*

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, all the five remaining cuts which are on the agenda in my name are very reasonable, and I strongly feel them to be reasonable. Mr. President, my previous cuts also were reasonable, and you will find from the debate, that Members sitting on my right and left have all supported me whole-heartedly. It was not the cause of my defeat yesterday that Honourable Members did not agree on the question; rather there was a mere misunderstanding which was responsible for the defeat. Still in order to give a chance to my other friends to move their cuts I do not want to move them. I only request that the Railway Board and the officers on the spot will consider the cuts moved and those remaining sympathetically.

Lack of Supervision and Control over Company-managed Railways.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Sir, I move that the Demand under the head 'Railway Board' be reduced by Rs. 100. Those of us who have been attending to the debates on the floor of this House in regard to the various parts of the Railway Administration must have noticed and also realised the extent to which the Railway Board exercise their power of control or supervision over those railways which are State railways, but for the purposes of administration have been given to private firms, and also those railways which are absolutely private concerns. I may not have much by way of grouse with regard to those railway systems which are absolutely controlled and managed and for whose welfare the Companies themselves are responsible and over whose dividends Government have not got any say; but I should feel very sorry if there was anything serious, the matter with the administration of those railway systems which are State railways and are being managed accidentally by private concerns. From the interpellations that have been put to the Treasury Benches from time to time,

[Mr. Muhammad Anwar-ul-Azim.]

and also from the facts which have been brought to ours notice by the Railway Administration from time to time, I am sure every one of us realises that the Railway Board or the Government of India, represented by the Railway Board, do not seem to have any control whatsoever over the latter system of railways which I have just mentioned. The pink books which have been supplied to us by the Railway Board are ample proof that the money which these Railway Administrations have been spending has got to be passed through this Assembly, first by the Railway Finance Committee and then by this House. And if that is so, how can one be supposed to be illogical if he asks why such a state of affairs should exist so far as the control of these railway systems by the Railway Board is concerned? Last year, Sir, you will remember that a Memorandum was circulated to all Members of this Assembly at the instance of the Railway Board, and they brought out quite a lot of nice suggestions for the guidance of all Railway Administrations, including Company-managed railways. I do not know what good results that has produced up to now. I remember one very significant fact that was brought out by the authors of that Memorandum and that was this; that if those Railway Administrations wanted to fill in a certain amount of vacancies under their control, they should advertise locally and should try to take counsel from the local people who are concerned and are mostly interested in those recruitments. But it is a very sorry thing to say that not only have they known these suggestions or directions of the Railway Board—if I am not unnecessarily giving out my feelings in that matter—I remember personally that not only did they not care to advertise in the local papers, but their idea was this perhaps; they were masters of their own situation, and they were not willing to concede anything by way of even considering the recommendations of the Railway Board. Of course if that is the fact—and I am certain none of my friends on the Treasury Benches will have the courage to challenge it. Because I will not make a statement of which I have no knowledge; but if that is the state of affairs, certainly it is up to us here, at the time of passing huge amounts of money, to suggest to the Railway Administration what are the better methods which they might think of or have got to have recourse to, by which their recommendations will carry weight and be implicitly obeyed. One sometimes feels surprised at the attitude which some of the Company-managed railways have taken up from time to time and the nonchalant way in which they have flouted the authorities both of the Assembly and of the Railway Board, and I am really sometimes compelled to think very seriously whether these instructions, which are sent on the one hand by the Railway Board, are not nullified in some other way in our absence; and I should feel very sorry to think that that was so; but to what other logical conclusion can one come if results of this kind are to be had and found handy everytime? They do not listen to anything it seems—Are these Company-managed concerns so very careless as not to realise that we can stop their supply at any time?—If the directions of the Railway Board go unheeded, I am certain that will eventually be necessary, much against our wishes. Major Bliss of the Assam Bengal Railway is a good accountant, but inspite of that his company is loosing all round, why? Coming back now to one very flagrant matter which will be pertinent to the subject, Honourable Members will find from page 75 of Mr. Hassan's Report, para. 235, that it has taken the Railway Administrations, including the Company-managed railways, years to find out who are the minorities in this country. After a lapse of nearly 20 or 25 years

since the Railway Board was established, if this information is brought to our notice, I am obliged to conclude that the subordinate Railway Administrations in this country do not feel that they have a responsibility to discharge both to the Railway Board as well as to this Assembly. In para. 235 of that very able Report of Mr. Hassan, it is stated that:

"The reason why I am making the recommendation is that during the course of my discussions with executive officers on Railways, I noticed that there was a lingering doubt in the minds of some as to which communities were really the minority communities for which the safeguard had been provided."

These Railway Agents are drawing salaries to the tune of Rs. 3,500 a month, which are larger than those drawn by Deputy Secretaries to the Government of India and first class Civilians in the Provinces.

Secondly, the Railway Board in Simla and Delhi have been crying themselves hoarse as to how best to manage affairs, but if one scans through these pages, he will find at every page the flagrant nonchalant attitude these Railway Administrations have shown. You will find the Assam Bengal Railway, which passes through my part of the country, has spent nearly a lakh on the construction of officers' quarters and staff quarters. If the policy of the Railway Administration has been to effect economy, I do not know how it was possible for the Assam Bengal Railway at Chittagong to indulge in these luxuries. They are spending on saloons and inspection carriages.

Sir Alan Parsons (Financial Commissioner: Railways): Can the Honourable Member tell me the exact page in the pink book on the Assam Bengal Railway to which he is referring?

Mr. Muhammad Anwar-ul-Azim: It is in your Explanatory Memorandum, and you will find that the Assam Bengal Railway has been spending Rs. 42,000 on officers' and staff quarters. If this is the kind of duty they are discharging 2,000 miles away from here, I am quite certain every one will be justified in asking whether the Railway Board exercise any supervision over that Company or not. The Railway Administration has been trying to find out the best means of improving their revenue, and to that end they have from time to time issued circulars for the guidance of these subordinate Railway Administrations who somehow or other do not care to attach any importance to the instructions issued from headquarters, and it is unfortunate that the Railway Board did not try to look into things in a strict manner and, in the words of the Railway Member, they did not try to look into the frittering away of railway revenue from a hundred and one sources, and if the Railway Board continue to maintain their present attitude, if they do not keep a proper check on the subordinate Railway Administrations, I am sorry, not to speak of balancing their Budget, it will be very difficult in years to come to find any revenue whatsoever. I should not like to embarrass the Railway Administration by giving more concrete instances, as some might feel that I have some personal interest —far from it; I have no personal interest whatsoever in this matter, but the mandate of my constituency is this, that I should ask the Railway Administration here to exercise a proper check on the Assam Bengal Railway Company so that they may be more prudent in their methods of administration and be more strict in matters of supervision. It will be within the recollection of this House from the interpellations that I had

[Mr. Muhammad Anwar-ul-Azim.]

the privilege to put some time ago, that on account of some fault somewhere last year, it was evident from the replies of Government that the Assam Bengal Railway incurred a loss of some 50 or 60 thousand rupees by way of defalcation, because somebody somewhere was at fault. Why was this so? If there was proper supervision, if there was a proper check over those officers who were responsible for this loss, then it would not have been necessary to show these losses in these pink books, it would not have been necessary to bring out these figures minus 6, minus 10, minus 14 deficit every year in lakhs of rupees.

Another matter is this, Sir. One of the reasons why the income of the Assam Bengal Railway is going down is because of the arbitrary way in which they have put down the timings. If one goes through the railway timings of the Assam Bengal Railway, he will find that merely to follow some regulation or rules made by somebody or somewhere that Company has been compelled to frame their railway timings in a particular way. If they improve their methods of timings of trains, say, from Chandpur or from Mymensingh or Dohazari to the extreme South, my impression is—and I am voicing the opinion of a large section of the commercial community in my part of the country,—that the railway company's income would go up immensely. Perhaps, my friends on the Railway Board will trot out their time-worn reply that instructions will be issued to the Railway Administration concerned to improve their timings and so forth, but is that sufficient, Mr. President? I very humbly ask, have you not got responsibility for the payment of dividends to that particular company? If you feel you have a responsibility to the ratepayers of this country for paying a certain amount of fixed dividends, I am certain your responsibilities will not be discharged unless you make your subordinate agencies feel that there is some check over them and that they should obey you implicitly. It is an irony of fate that though after a long struggle the Railway Board appointed a very able officer to investigate into the grievances of the minority communities of this country, it was not possible for him to go round and see what was the state of affairs in the Company-managed railways. My suggestion to the Railway Board would be that it will not cost them much money if they take a little trouble to see what is the state of affairs with regard to the position of the minorities in the Company-managed railways as well, because I am certain no amount of writing either of Mr. Hayman or, for that matter, of my Honourable friend Sir Alan Parsons—though I know the interest that Sir Alan Parsons has taken in certain matters with regard to the administration of the Assam Bengal Railway—will help things. His method has not proved to be at all efficacious. I think I am tiring the House, and so, with these few words, I move the motion that stands in my name.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I had no mind to take part in the debate on this particular motion, but I find that my Honourable friend, Mr. Anwar-ul-Azim, who comes from the same constituency that I represent, has raised objection to new constructions, in some of the Company-managed railways. I am very much interested in that subject. In the Explanatory Memorandum I find there is only an expenditure of Rs. 42,000 provided, out of which Rs. 15,000 is for completion of the bungalows under construction, and the provision for new works is only Rs. 27,000. If my Honourable friend thinks that even this small amount should not be spent, then

we will be in a difficult position. In my own district of Noakhali, which is on the Assam Bengal Railway, some of the railway buildings have been washed away due to erosion, and for the last few years we have been praying for a little bit of new construction. If my Honourable friend suggests that even this Rs. 27,000 should not be spent on new construction, I shall have to oppose the motion. As a matter of fact, for a big railway like the Assam Bengal Railway, where there is a proposal only to spend Rs. 42,000 out of which Rs. 15,000 is required to complete the old construction, I do not think that the suggestion of my Honourable friend is at all reasonable. Though I have no quarrel with other portions of his speech, I certainly dissent from this view of his.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): I rise to support the motion of my Honourable friend Mr. Anwar-ul-Azim. I am very doubtful whether the Railway Board functions as a Board at all, or whether it does any work except what really suits it, though it is not in accordance with the desire of the Assembly or in accordance with the needs of the country. Sir, I am reminded of a saying in Oriya "chaing soithibaji taku uthaibakai" which means that you can wake up a man who is really sleeping, but not one who merely pretends to sleep. That is the position of our Railway Board now. Do they exist in the interests of India and for the people of India? We have cried ourselves hoarse for so many years, and even this year to-day is the third day of our railway debate. Do the Railway Board care to do anything? The other day when I put a question about the percentage of Oriyas in the Bengal Nagpur Railway, what was the reply of my Honourable friend Sir Alan Parsons? He said it was a communal question and he did not give a reply. Am I to teach him the meaning of the word "community" or "communal"? If Oriyas are a community, I think it is very wrongly understood by him. We are hearing on the floor of this House so many answers relating to the Muslim community, the Sikh community, and so on. I include in the term Oriya all people resident in Orissa, whether they are Hindus, Muslims, Brahmins or Non-Brahmins, be they Christians, Jains or whoever they may be. They are all Oriyas. I have used the word as it is familiar. If I might coin a new word I might say Orissans instead of Oriyas. "Orissan" includes all the communities residing in Orissa, just as the word "Bengali" includes all the people residing in Bengal, whether Hindus, Muslims, Buddhists, Jains, etc. (*Mr. Lalchand Navalrai*: We have got the word 'Sindhi'.") I am glad you have got one. I even include the domiciled Bengalis in the term Oriya, because they live in Orissa. I also include Telugus residents in Orissa Ganjam.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I hope the Honourable Member realises that the motion on which he is making his speech relates to lack of supervision and control over Company-managed railways by the Railway Board.

Mr. B. N. Misra: I am only showing what control they are exercising over the Bengal Nagpur Railway. Only the other day we heard a lot about the grievances of the Muslim community against the Railway Board. Let me here tell them what is in the mind of the Railway Board or the Agents. I had a talk with an Agent of a railway one day. I asked him, "Why don't you employ Oriyas in your line?". The line goes through 800 miles of Orissa on all sides—on one side from Kharagpur to Jharsagudda and

[Mr. B. N. Misra.]

Sambalpur, and on the other side from Kharagpur to Naupada and other places in the Ganjam district, then again from Vizianagram to Parvatipur, to Salur, Titlagarh, etc. Sir, you will be surprised to hear that they cannot point out even one per cent. of Oriyas in their services. I asked them what the reason was, why they did not take in Oriyas? I was told that they are not available, but when applications are made, they are returned, saying that there are no vacancies. Thousands of persons are employed every year in the several departments, such as Transport, Traffic, Audit, etc. They are getting such a large number of Anglo-Indians, Europeans and others, and when they retire their sons, and grandsons, are being employed in their places and no outsider ever gets a chance. I asked the Agent, "Why don't you, like the Hindu Kings and Muhammadan Emperors, give them *dan*, *inam*, *jagirs* and make the offices hereditary, so that they may descend from father to son"? Then we will understand the position. From the highest to the lowest offices you will not find any Oriyas worth counting. This is all due to the policy of favouritism which obtains in the railways and the Railway Board does not exercise any supervision over these Company-managed railways. Outsiders never get a chance. This is gross negligence on the part of the Railway Board, on account of which only the relations of existing employees have got a chance of employment. Now, Sir, the Orissa province is in the making. It is in the womb of the Boundary Commission. The Commission is labouring hard and we all hope that before long they will give birth to a new baby the Orissa Province. Now, Sir, the Oriya speaking area comprises a vast tract of territory from Kharagpur to Jharsagudda, Bilaspur and Parlakimedi up to Vizianagram roughly. We have got 8 branch lines. The Bengal Nagpur Railway traverses about 800 miles of Oriya-speaking country, and yet there is not one per cent. of Oriyas employed in the railways. Other communities are not satisfied with even 20 per cent. I shall be glad if there is at least 5 per cent. of Oriyas employed.

Mr. Goswami M. R. Puri (Central Provinces: Landholders): On a point of order. The Honourable Member is speaking on Oriya representation in the railways which is not relevant to this discussion.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): He is showing that the lack of representation is due to the lack of supervision of the Railway Board.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair takes it that it is the Honourable Member's contention that the absence of Oriyas on Company-managed railways is due to lack of supervision of the Railway Board.

Mr. B. N. Misra: Yes, Sir, this is the trouble that the Oriyas have to undergo. A Commissioner of the Orissa Division, Mr. Phillip, as Member of the Advisory Board wrote a letter to Sir George Rainy or Mr. Hayman about an Oriya graduate. I hold the letter in my hand. This person has not been given any employment for about two years. There are many cases like this. Therefore I say you can awake one who is really asleep but you cannot awake one who pretends to sleep. It appears to me that the Railway Board is only an ornamental body. I have shown you the lack of supervision over the Bengal Nagpur Railway. No doubt other

Members will be able to speak about other railways. The Railway Board is like a society which is impervious and impenetrable. I had a talk with the Agent. He said that he got 1,200 applications. I asked Sir Alan Parsons how many Oriyas were taken in and he evaded the question by saying that it was a communal question. The Government find enough Oriyas cent. per cent. to man all offices, Collectorates, District Courts, etc., from Executive Councillor, Minister to District Collector, Principal, Lecturers, Teachers, Police Superintendent to Constables. But the Bengal Nagpur Railway cannot find even 5 per cent. of its employees from amongst Oriyas! I may tell you, Sir, that from the point of view of economy also, it is more profitable to employ Oriyas. During the Christmas and Durga Puja holidays time, many employees get passes and they go to Madras, Punjab, Dacca and so on. All this expense in issuing passes could be saved if the local people Oriyas could be employed. They would not have wanted to travel long distances on passes. All this travelling expense could be saved to distant places like Madras, Dacca and the Punjab, etc. They want passes to visit their relations and their wives and what not, and children too. (Laughter.) Of course, many people have got hosts of relations, whatever that might mean. Now passes are used not only on these two occasions, but on other occasion also. Sir, is it not a great loss which the Bengal Nagpur Railway suffers, which they would not have suffered if they had taken the men from these Oriya tracts, in which I may say most of these stations lie? In that case they would not be required to spend enormous sums, especially in these days, on passes. Sir, therefore I have given notice of a cut and I shall place it before the House for consideration. (Laughter.) I see the whole Assembly is crying, and they are not listening to what I say. Sir, all this trouble is due to the policy of the Railway Board. That policy should be to take the representatives of each province into confidence and see how the employment will go on equitably, smoothly and economically, what each province will require, what number of each community is fair. Sir, some of the representatives of the Assembly may form a better Board. What about these Advisory Committee Members. . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I have given the Honourable Member considerable latitude, but I cannot allow him to go on repeating himself in regard to the one issue which he has brought forward during the whole of this speech.

Mr. B. N. Misra: Sir, I would only suggest that this Railway Board should be abolished, and representatives from each province should be selected to form a Committee in order to consider the needs of each province, either communally or provincially, as necessary.

Dr. F. X. DeSouza (Nominated Non-Official): Sir, I rise to support this cut principally on the ground that the Indian Christian community which I represent in this Assembly is most inadequately represented on the staff of the two railway systems where the Indian Christian community congregates in such large numbers. I mean on the South Indian Railway and the Madras and Southern Mahratta Railway, both of which are Company-managed. Honourable Members are aware that the Indian Christian community forms a very considerable proportion of the population of the Madras Presidency. Judging from the figures given in the last census, it appears that, out of a total population of more than 53 million in the

[Dr. F. X. DeSouza.]

non-technical, and two or three persons belonging to the respective communities. It will be constituted just on the same lines as the Public Service Commission of the Government of India and it will also rectify the inequalities on the same lines. My own idea is that if such a Board is appointed in every district in India and on all the Railway Administrations, the bulk of the complaints against the actual inequality with which the whole House resounds from day to day will disappear. That is my humble suggestion to the railway authorities and if it is adopted, I am sure it will prove of great value.

Sir, it is with very great reluctance that I have taken part in this debate because I consider that whatever partakes of the nature of communal representation leaves a very bitter taste in the mouth and creates bitterness not only in this House but outside it also. On second thoughts, it, however, seemed to me that it was wrong to regard it as a communal squabble . . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. I have allowed the Honourable Member a considerable amount of latitude. He has to bear in mind that the motion before the House is the lack of supervision of Company-managed railways by the Railway Board, and the Chair has not been able to follow how all that the Honourable Member has been saying is relevant to that one issue. Is it the Honourable Member's contention that all these inequalities in subordinate and other employments are due in Company-managed railways to lack of supervision by the Railway Board?

Dr. F. X. DeSouza: Precisely so, Sir. That is just my point, and I regret to say that I have not been able to make myself clear. What I said was that if the Railway Board had a better control over the management of the Company-managed railways, then these inequalities would not prevail. It is because they have no such control and also because the Financial Commissioner admitted the other day that there was no remedy against the Company-managed railways if they did not carry out the policy laid down by the Government that I have brought this motion and I am speaking on this cut. What I contend is that if the South Indian Railway and the Madras and Southern Mahratta Railway were State-managed railways, then I could have asked the Railway Board to interfere directly and, if they failed, would have given them a bad quarter of an hour in this House. But as they have no such control at present, I ask them that they should obtain more control in order to rectify the injustice that is done in the recruitment of officers for these Company-managed railways. It is true that they have agreed to a policy of Indianization. But Indianization so far on the South Indian Railway has merely meant this, that the monopoly by one community has been perpetuated. If Indianization was to be insisted upon by the Railway Board because they thought it was a political necessity, may I venture to point out to the Railway Board that it is a still greater political danger to perpetuate the monopoly of one community? It is therefore on this ground that I urge the points that I have made under this cut. That is all I wish to say and I now resume my seat.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, this is not the first occasion when we have discussed on the floor of this House the

maladministration of Company-managed railways and the lack of supervision on the part of the Railway Board. We have shown in the past that the Railway Board, from the year 1910 onwards, have so mismanaged the control that they allowed the Secretary of State to enter into contracts with the Board of Directors of Company-managed railways in England whereby the Bengal Nagpur Railway, of which my friend Mr. Misra spoke so much, got its agreement extended from the year 1912 to 1950. The same thing has happened with other Company-managed railways. These are surely serious charges against the Railway Board. Sir, those Members of the Railway Board have now retired, and some of them are advisers in the India Council; others are Directors of some of these Company-managed railways. They are still carrying on their business in India. Sir, if I may be permitted to refer to what happened in the Public Accounts Committee, I may say that most of us particularly laid stress about the better financial control of the railway administration in the Company-managed railways. In 1929 it was my friend Mr. K. C. Neogy who presided over a Sub-Committee when the then Financial Commissioner, Mr. P. R. Rau, gave us complete satisfaction as to the proper control that the Railway Board exercises over the affairs of the Bengal Nagpur Railway. Sir, it seems that the Government at present exercise a certain amount of financial control over the Company-managed railways through the Auditor, who is known as the Government Examiner of Accounts. But the Agents of these Company-managed railways never allow these Government Examiners to have any access to the facts and figures. But as this matter was forcibly pressed in the Public Accounts Committee, the Railway Board have paid greater attention to it and they exercise now a little better financial control over the Bengal Nagpur Railway. Before 1924-25 there were serious irregularities on that Railway and they squandered away lakhs and lakhs of rupees. The moment a letter was sent from the Railway Board to inquire about a particular irregularity, the Railway Agent managed to send away the official directly concerned after paying him his provident fund and other allowances that he was entitled to. When the Railway Board wanted to penalise the officer in that particular case it was ascertained that the officer had left

12 NOON. with his provident fund money, and so nothing could be done. Of course a poor Indian clerk or a chaprasi would have been dismissed, as it always happens. Sir, I can say this much, that to-day the Railway Board are exercising much better control than they used to exercise before 1925-26 but I am not yet satisfied that there is at present proper control over the Company-managed railways. Why the same practice regarding recruitment should not prevail in Company-managed railways as in the State-managed railways, I cannot understand. When my Honourable friend Sir Alan Parsons got the sanction of this House for the separation of audit from accounts, he promised this House that there would be an examination for recruitment to the Accounts Department and the recruitment should be on a provincial basis, every province being allowed its quota.

Sir Alan Parsons: I am sorry to interrupt the Honourable Member. I do not think I said that recruitment should be on a provincial basis.

Mr. B. Das: It was I who suggested it and my Honourable friend accepted it. If he had not accepted it, then I was misled. I would have raised the point in subsequent discussions had I known that it was not accepted. I understood that in the matter of recruitment to the

[Dr. F. X. DeSouza.]

Madras Presidency and in the attached Indian States, nearly 4 million are Indian Christians. 70 out of every thousand persons in that Presidency, Sir, are Indian Christians. If now you go by the standard of literacy prevailing in the community, judging from the figures given in the Census Report for 1921—those of 1931, are not yet ready—you will find that while for the Indian Christian community the percentage of literate persons for every thousand males is 235 and for every thousand females 123, that for the Hindus is only 149 and 15, and for Muslims only 74 and 18, respectively. This, Sir, therefore represents a very high standard of literacy amongst us, second only perhaps to the Parsi community in India (Hear, hear); and this standard of literacy prevails not only in relation to primary education but if you study the lists of graduates and under-graduates of the universities of Madras and Bombay, you will find the Indian Christian community figuring there in very appreciable numbers indeed. That, then, being the state of literacy and indeed of the stage of higher education amongst the Indian Christian community, what do we find so far as their representation in the railway services is concerned? And here, Sir, I regret I am under a peculiar disability, for, while the Railway Board in their annual Report do not give separate figures for the Indian Christian community—but I am thankful to my Honourable friend, Sir Alan Parsons, that he has undertaken to take into consideration my suggestion made the other day that he should give these figures in future Reports—for Company managed railway I understand they do not furnish any statistics at all, and that being so, my position becomes very difficult. All the same I am glad to say that the conscience of my community in Southern India has awakened to the absolute lack of their representation in the service of these railway Companies, and a deputation headed by the leaders of all the minority communities waited upon the Agent last October and presented a memorial in which the following statistics are given. The memorial shows that while one of the communities, namely, the Brahmin community, which, in numbers, is less than 50 per cent. of the Indian Christian community, holds as many as 50 per cent. of all the appointments in all the grades, high and low, of the subordinate establishments, the Indian Christian community holds only one per cent. of the posts in the officers' grade, two per cent. in the upper subordinate grade and 6 per cent. in the lower subordinate cadres. That, Sir, is a shocking state of things. And what is the remedy? The leaders of the community approached the Agent of the South Indian Railway who, although he refused to grant them an interview, intimated to them in writing that the Home Board had accepted the policy laid down by the Government of India as regards the representation of all the communities in India according to their proportion in numbers and importance, and while he agreed generally to follow the policy laid down by the Government of Madras and the Government of India in this respect, it was impossible at present to carry out the suggestion therein made. Now, when I brought that to the notice of the Honourable the Financial Commissioner the other day, he told me that all that the Railway Board could do was merely to bring to the Companies' notice what the policy of the Government of India was, and that if they refused to carry out the suggestions of the Railway Board, then they had absolutely no remedy. Sir, it seems to me that the position is absolutely intolerable. I cannot possibly believe that a Company, however powerful it may be, is able to function independently of the orders of the Railway Board and indirectly

of the Secretary of State in Council, who holds a very large proportion of the stock of these Company-managed railways. Am I to understand that these Companies, enjoying many privileges including the privileges granted by the Lee Commission for their officers from the Secretary of State in Council, must be allowed by the Secretary of State in Council to be independent of the control of the Government of India in such an important matter? Will the Right Honourable the Secretary of State in Council allow an *imperium in imperio* to flourish in India? Certainly, Sir, where there is a will, there is a way. I asked the Honourable the Financial Commissioner to bring his powers and influence to bear upon these Companies in order to rectify the error in the representation of the communities which I have brought to the notice of the House. Sir, somebody complimented him the other day on being an expert haggler. Undoubtedly from what I have seen of him in this House during my short time here, he has proved himself to be an expert haggler, but if he is unable to drive a good bargain in this case with the Company, then I would ask him to try a little tail twisting. I must say, Sir, one thing with regard to the deputation that waited upon the Agent, South Indian Railway, namely, that it has had one desirable result and that is that the Agent has established, in consequence of the representation made to him, what he calls a Staff Selection Board. To my mind, if all the Railway Administrations, in fact, for that matter, if all the Government offices who have any patronage in their hands were to establish a Staff Selection Board of this kind, the bulk of the complaints regarding the want of sufficient representation of the communities will gradually disappear. If the Staff Selection Board consists of the head of the department and if some officials and non-officials are co-opted to represent the various communities on it, I feel certain that the grievances of the different communities will be redressed in course of time. My Honourable friend Sir Henry Gidney complained the other day of the influence of the office Superintendents in filling the vacancies. He said that these office Superintendents fill up the vacancies on their own initiative by appointing their own favourites and members belonging to their own community. That, I believe, is perfectly true. In spite of the orders from the higher authorities, those who have had any patronage to exercise under Government will realise what influence these office Superintendents wield in filling up vacancies, especially in smaller grades. And it is from among men recruited in the smaller grades that men rise step by step to the highest grade. So, if sufficient control is exercised over the recruitment in the earlier stages, I feel absolutely certain that these complaints about communal inequalities will disappear. This I must say, therefore, in connection with the Staff Selection Board appointed by the Agent of the South Indian Railway that it is an admirable institution which is worthy of encouragement on all other Railway Administrations. If this suggestion is carried out, I feel sure that these complaints about communal inequalities will gradually disappear.

Mr. S. G. Jog (Berar Representative): Will the constitution of this Board not be on communal lines?

Dr. F. X. DeSouza: My Honourable friend wants to know if this Board should be constituted on communal lines. My suggestion is that it should be presided over by the head of the administration or by the head of the district. It would consist of the Agent or other authority who is in charge of patronage, the Superintendents of the respective offices, technical and

[Sir Alan Parsons.]

Rs. 50,000. That was certainly a regrettable incident, but I cannot admit that that was in any way due to the fact that the railway was under Company-management. Unfortunately regrettable incidents of that kind occur just as much on State-managed railways, and we have them every now and then on every railway in India.

Mr. B. Das, though, as I have said, he was more complimentary to the Railway Board than he usually is, complained that the contracts with the Company-managed railways had been badly drawn up and gave them too much power. That of course must be mainly a matter of opinion. But with regard to the railway he was speaking about, the last contract was I think made in 1908, and I can only say therefore that if he were to vote for this particular motion on that ground, he would be visiting the sins of the fathers upon the children.

I now turn to the question of the control or supervision which the Railway Board can exercise over the recruitment of their employees by the Company-managed railways. The position is quite clear; the contracts give us no power. The Company-managed railways have accepted, and are therefore bound by their acceptance, the obligation to recruit as quickly as possible 75 per cent. of Indians in vacancies in superior posts as they occur. They have not accepted any obligation to distribute that proportion of Indians over different communities. What the Railway Board have done there is to send to the Company-managed railways copies of their instructions to State-managed railways, pointing out the desirability of avoiding any undue preponderance of any one class or community in their services, and expressing the hope that they will be able to follow more or less the same plan as we have adopted in making their recruitment. That is the extent to which we can influence the Company-managed railways. I use the words "class or community" and I should like here to refer to the point raised by my Honourable friend Mr. Misra. I realised his "*cri de coeur*" and we know that he is very loyal and patriotic to his land of Orissa and if I may express my personal opinion, I do consider it desirable that where a railway runs through a large tract of country, so far as possible in the railway services working in that tract of country there should be a fair number of natives of that area; I am perfectly prepared therefore to bring my Honourable friend's remarks to the notice of the Agent of the Bengal Nagpur Railway. But I must premise that neither the Government of India nor the Secretary of State nor the Railway Board have any powers to say that the Agent shall take so many persons into the Railway's service from Orissa. It must be left to his discretion whether he can find people from that area who are suitable for railway employment

I think Mr. Misra or Mr. Das, or possibly both of them, mentioned the matter of the Local Advisory Committees on the Bengal Nagpur Railway. I was not aware before that Mr. Das had been a member of one of those Committees, but Mr. Misra is I think aware that at his request I have already pointed out to the Agent of that railway that there is some demand from the inhabitants of Orissa that some one from Orissa should be placed on these Committees so that representations from Orissa should receive due weight.

In the same way I am prepared to send a copy of Dr. DeSouza's remarks with regard to the representation of Indian Christians on the South Indian

Railway, though, if I understood rightly what he has said, it appears that the Agent of that Railway has already got that question under his consideration and that therefore there is very little that the Railway Board need or can do in that matter.

I should like to refer to one constructive suggestion which was made in general terms I think by my Honourable friend Mr. Anwar-ul-Azim and somewhat more definitely by Dr. DeSouza, and that is that in recruiting there should be some sort of a selection committee. That is certainly a view which the Railway Board themselves hold. On the North Western Railway I think recruitment is now done entirely by such a committee, and the system is being extended on other State railways. That is also a suggestion which, if we have not already done so, I shall be quite prepared to put forward to the Agents of the Company-managed railways. I do not commit myself to a committee or board of the exact description suggested by Dr. DeSouza; but it does seem to me that if we could associate in some way with selection committees, which would probably have to be departmental committees, non-officials of the various communities whose principal duty would be to bring to the notice of the Railway Administrations where suitable material for recruitment was available, that would be a method by which eventually we might free ourselves in this House from these long series of communal debates.

Mr. Muhammad Anwar-ul-Azim: Sir, I have listened with great interest to what my Honourable friend Sir Alan Parsons had to say. In reply I should like to say a few words just to save time. If I am allowed a little time to say a few words in reply, I may not move the other motions which stand in my name. Sir Alan Parsons has very pertinently referred in his reply to my suggestion and the suggestion of Dr. DeSouza that if a certain arrangement can be made for the recruitment of people on the Company-managed railways, perhaps that will avert a political crisis of which Dr. DeSouza has ably spoken. If this matter of recruitment is not equitably solved, I am certain, Mr. President, that will lead to complications, which no ingenuity in this world will be able to solve. My advice is, take courage, feel like the conservative Government at home, and then you will find that you have come out unscathed, and once this is done I am certain these Railway Administrations will think a million times before they think of disobeying any suggestion from the Railway Board.

As regards certain matters connected with the finances of railway companies, I think it may be said that we have now got a very good auditor, an Indian gentleman in the Assam Bengal Railway and I think that railway so far as finances are concerned will continue to improve.

I have to suggest one other matter and it is this. In 1930 I was a member of the Road Committee; we had a conference in Simla and there the Railway Board was very fully represented, by Mr. Colvin I think, and with the concurrence of the conference and of the Government of Bengal, we came to the definite conclusion that a certain road running through the whole district of Chittagong and reaching to the borders of Burma should be constructed and Rs. 5 lakhs were sanctioned by the Local Government on that consideration and the work progressed a bit; but it appears some sort of apprehension or suspicion has crept into the minds of the authorities of the Assam Bengal Railway, and they are trying to thwart it. I think it would be most injudicious if progress on that work was stopped and I mean on the Arakan Road; because if the Railway

[Mr. B. Das.]

various railways, Government would take into account that recruitment should be done on a provincial basis and that provincial quotas should be allocated, and if Government have not done it, then it is a serious dereliction of duty on the part of the Railway Member and the Railway Board. It does not mean that the Punjab alone should monopolise all the services, whether in Bengal or Bihar and Orissa. (Mr. Jagan Nath Aggarwal interrupted.) I do not mean any offence to my Honourable friend Mr. Aggarwal, but I want that if the railways are built up by money to which all the provinces are entitled and all the provinces are paying interest on borrowed capital, then recruitment to the railway services in the State-managed railways and in the Company-managed railways should be done on a provincial quota basis. At the same time I do not mind if the communal demands of different sections come in on that provincial quota basis. At present it has not been shown to have been done and it should be done. If we apply that analogy to the Company-managed railways, we will find the B. N. R. which runs throughout the whole of Orissa does not pay heed to this principle.

I congratulate my Honourable friend Mr. Misra who put the case of Orissa in that inimitable way of his to which we are all accustomed. I come from the same constituency as my Honourable friend does and I have spoken privately to my friends on the Treasury Benches on behalf of Orissa, but pre-occupied as I have been with other matters, I did not like to press the case of Orissa too often on the Government. As regards non-employment of the Oriyas in the B. N. R., I think the time has come when I should demand that equity and justice should prevail. The Oriyas should find employment in the B. N. R. and also on the State-managed railways, and recruitment whether it is for the State-managed or Company-managed railways should be on a provincial quota basis. If a particular railway extends over two or three provincial units, let these provincials be employed on that railway. That is my submission about recruitment.

One other point which my Honourable friend Mr. Misra raised was that even the Company-managed railways were negligent about recruitment of members to the Local Advisory Committees. Three years ago we brought this question to the notice of the Honourable the Railway Member and he said he would look into the question. If he only looks into the Local Advisory Committee of the E. I. R. which is a State-managed railway, he will find there are three or four Local Advisory Committees where the mercantile community and the Government find adequate representation, even the municipalities and the district boards and Provincial Councils find representation, but in the B. N. R. it is not the same. It is left to the sweet will of the Agent and he has limited the number of members of the Local Advisory Committees to six. I was once a member of that Local Advisory Committee. I went away to Geneva four or five years ago, and since that day no Oriya has been recruited as a member of the Local Advisory Committee. My Honourable friend Mr. Misra pointed out that the Commissioner of Orissa Division is the sole representative of Orissa, the Government of Orissa and the people of Orissa. I think even in the pre-occupation in which the Honourable the Railway Member finds himself always, especially in these days of Ordinance *raj* and political difficulties, he ought to see that there is certain amelioration granted to people over whose territory a certain railway traverses. If the railways exist, they must exist for the benefit of the people, and

people of every part should derive their due quota in benefits, in employment and in privileges.

Sir Alan Parsons: Sir, when I noticed this motion on the Order Paper, I had not expected that I would have to meet attacks on the subject of the representation either of individual provinces or of certain communities in the services of Company-managed railways. I anticipated rather that I should have to deal with the extent of our control and supervision over the Company-managed railways in order to safeguard the financial interests of Government. That matter has actually been touched on only briefly by my Honourable friend the Mover and to a certain extent, before his local patriotism overcame him, by my Honourable friend Mr. Das. I should however like to explain to the House, before dealing with the few points raised by speakers which had any financial implication, exactly what our position is *vis-a-vis* the Company-managed railways on the financial side. In effect the powers, which are exercised by the Boards of Directors on Company-managed railways on the financial side, are no greater than those which have been delegated to Agents on State-managed railways, and our position with regard to supervision and control over Company-managed railways on the financial side is, therefore, very strong. I am grateful to my Honourable friend Mr. Das for saying he considers that the control and supervision over the Company-managed railway with which he is particularly acquainted has been improving during the last four or five years. Mistakes will of course occur at times on every railway, Company-managed or State-managed; the matter may not be brought to the notice of the Railway Board; and if it is, the Railway Board is itself not infallible, and it may not always take correct action. But taken as a whole, I consider the powers of control and supervision possessed by the Government of India through the Railway Board over Company-managed railways are adequate to safeguard the financial interests of Government, and I claim that as a whole those powers have been exercised in the past, so that those interests have been properly safeguarded. I will take as an example of the exercise of these powers of control, an instance mentioned by my Honourable friend Mr. Anwar-ul-Azim. He complained that, I think he said a number of lakhs, but the exact amount is Rs. 42,000, has been provided for expenditure next year on the Assam Bengal Railway, as he said for officers' and subordinates' quarters. As a matter of fact no provision has been made at all for officers' quarters, and though in the programmes which came up from Agents of Railways there were suggestions for a certain number of bungalows to be built for officers next year, I think I am right in saying that in no case did we accept those suggestions. That is an example of the exercise of our powers of control. With regard to the provision of quarters for subordinates on the Assam Bengal Railway, here I am between two fires. Apparently my Honourable friend Mr. Anwar-ul-Azim thinks that even if the Railway Administration is allowed to complete the quarters which are already under construction, they should not be permitted to build any fresh quarters. On the other hand my Honourable friend, Mr. S. C. Mitra, with his local knowledge of that part of the country, thinks, I am afraid, that I have been rather stingy. I can only hope that having fallen between two fires I shall come out unscathed.

Mr. Anwar-ul-Azim also mentioned the fact that a fraud has occurred on the Assam Bengal Railway—a Company-managed railway—fairly recently, I think it was last year,—by which that Railway lost about

[Mr. C. S. Ranga Iyer.]

staff from each of the six systems and nominated by the Railway Minister, the Minister of Public Works, which came to 12, and the remaining 30 were handed over to the popular representatives. They were members appointed by decree on the proposal of the Minister of Public Works. Thus, the French railway administration is controlled by 60 members, 30 of whom are drawn from the people and 30 either from the company administrations or from the administrative staff of each of the systems from which the Minister chooses his nominees. Thus, the companies were represented, the railway administration was represented and the people were represented in the new Convention which is now obtaining in France.

Sir, objection has been taken to this arrangement on the ground that it is more or less like a debating society. And I know that this objection has been made by critics who are certainly students of constitution, but I am afraid who have no knowledge of the working of the French railway administration. For instance, we cannot have a better authority on this matter than Sir William Acworth himself, and let us see what he has got to say about the administration of railways in France. He says in the words of Mr. A. T. Hadley, President of the University of Yale whom he quotes:

"The English and American maxim is that whatever can be done *without* Government should be thus done. The Continental principle is that whatever can be done by Government should be".

India resembles in this respect more the Continent than England or the United States of America. And the opinion of Sir William Acworth is valuable on this matter. On the matter regarding the French railway system he says:

"The railway history of France stands by itself. Nowhere is the passion for logic and the love of symmetry which distinguish the French genius better exemplified than in the history of the French railway system."

Sir, I know that this opinion is not shared by Brigadier General Hammond whose memorandum has been submitted to the Round Table Conference and which has been placed in the Library of the House. Brigadier General Hammond is of opinion that the French method is not satisfactory. He says that so far as France is concerned, the defect of the system has been its unwieldiness. I shall quote his own words:

"The disadvantage is that it appears to our minds rather an unwieldy body, consisting as it does of 60 members, and to partake rather of the nature of a debating assembly than of one which is required to take executive decisions."

Sir, I submit that General Hammond is wrong, and for this reason. The French railway administration has been one of the most satisfactory railway administrations in the world, because it combines popular representation with commercial management, and if after the War France has survived and the railway administration has once again begun to emerge from the chaos into which the War had drawn it, it is entirely because France has made the administration an amalgam of all that is finest in democratic control with all that is necessary in commercial management, representing the Government, representing business interests, representing the political, or more correctly, the administrative group in the political assembly. Therefore, Sir, I do not accept the opinion of General Hammond on the problem before us. . . . .

Mr. B. Das: What are his qualifications?

Mr. C. S. Ranga Iyer: My Honourable friend Mr. B. Das asks what qualifications he has. I may straightaway answer him, that he is a great student of constitution, that he has also a great knowledge of the administration of railways though not of Indian railways, and I think he has drawn his conclusions after a very good study. I do not for a moment cast any reflection on this authority. I have carefully gone through his memorandum and it contains many good ideas on the subject of railways. It is for us either to agree with him or to differ from him. I myself have been very much profited by a perusal of his memorandum. To acquire knowledge from a memorandum is one thing and to swallow one's views is entirely another thing. I do not agree on this particular matter with General Hammond. Coming again to Australia, and in this matter, General Hammond is in agreement with Australian politicians; they have bungled in bringing Australian railways too much under political control. In this respect I would rather quote few other authorities besides General Hammond, because I have just consulted them to make sure whether I have not their authority for my Statement. Some of them are as good as Hammond, some of them better than he.

When I say that the Federation of the future should control railway administration in regard to policy, it is based on the fact that agricultural and industrial matters are of very great importance to this country, which wants to progress both agriculturally and industrially. In a large country like India, 41,000 miles of railway are not very much. Railway management and extension will have to be carried on with a view to improve industrial development. Sir, when you used to be one of the shining lights of the old Imperial Legislative Council, the charge used to be that the railways were run less in the interest of industries and industrial development and more in the interests of carrying raw material from the interior to the ports. I do not want to develop that idea at present because railway construction has since been carried far into the interior and the wise words which you, Gokhale, Pandit Madan Mohan Malaviya and Vijayaraghavachari and other stalwarts of the old Imperial Legislative Council uttered on the floor of that House had not fallen on deaf ears. Railway construction has been carried on with greater and greater vigour by successive railway members and my Honourable friend the Leader of this House has been no exception to the rule. So far as it lay in his power he carried out that policy as far as it could be carried and in the future this policy of railway construction will be in accordance more with the interest of the people themselves but we cannot get away from the fact that the railways will have to be run as a commercial proposition because they have to make money. We cannot throw away money and it is part of the tax payer's business to see that the railways pay. In England the railways play a great part in the development of their agriculture and their industries also and as Indians want that the same development should take place in India, Indians will not be a party to the establishment of something in the nature of a railway autocracy, remote from the Legislature and not responsible to the Legislature in matters of policy and capital programme. While we will be willing to concede readily that we do not want to interfere in the day to day matters of management and details, for we know that would be real interference with the progress and the business of the management of the railways, while we will be willing to concede that these matters should be taken up either

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they are a business proposition, we cannot make the management a victim of the predilections of politicians. Railways cannot be a pawn in the party game of the future; railways cannot be a victim of political intrigues and party adventures. Therefore, I do certainly very strongly oppose any idea of railways becoming the play things of the politicians. If we examine the Colonial history, we find in South Africa, Australia and Canada, time and again, politicians trying to play with the railway administration. Sir, in Australia railways were under the control of politicians down to the year 1884, and there was such mismanagement; the politicians so frequently and constantly interfered with the railway administration, that a non-political Commission had to be appointed, and the railway administration had to be handed over to the Commission. The Chief of that Commission was an Englishman, who, with the other members of that Commission, controlled the railway administration practically. There was a nominal control by the Minister, but theirs was the practical control. For a short time, because they were appointed only for 5 years, this kind of Commissions' control worked, but as days advanced, as years progressed, politicians wanted once again to interfere with the administration of the railways in Australia, because Australia, Sir, is a semi-socialist State if I may say so. It is a State in which labour interests are very great and labour interventions equally great in matters of administration. They looked upon their railways as one of their pet things and they thought it was their duty to interfere with the railway administration. Therefore, the Australian Railways were a financial failure. Once again they handed them over to the Commission, but again it went back to the politician. Sir, at the last stage it went back to the politician, I say this was inevitable, for, this Commission curiously enough came under the control of the politicians and in this matter Sir William Acworth has in his book on "State Railway Ownership" made some very interesting observations. He has clearly proved that it is much better for an administration to be run subject to parliamentary control rather than it should be free from that control, should it degenerate into a political clique. The Commission in Australia, Sir, degenerated into something in the nature of a political clique, and therefore it was thought that it would be more desirable to hand the railway administration over to the politicians themselves. And Sir William Acworth in this particular case mentions that the jobbery of the politician, of the political Minister, will not be so bad as the jobbery of the Commission clique which comes under political influence. This is what he says:

> "The new system was not over-successful. Political pressure still continued. The financial position got worse, budget estimates of expenditure were largely exceeded. And, as has already been mentioned, free passes were given on a wholesale scale to the dependents of Members of Parliament. After mutual recrimination the Commission was abolished and the Railways handed back to direct political control. Evidently"—(*says Sir William Acworth*)—"a Commission which though composed of individuals personally clean-handed is not strong enough to crush attempts at jobbery in its neighbourhood may be even worse for the public interest than a Minister who uses patronage for political ends. For the Minister can at least be watched and exposed in Parliament by political opponents, while a Commission can take shelter under the cloak of its statutory irresponsibility."

This, Sir, is a very valuable quotation from "State Railway Ownership" by Sir William Acworth. It should be a guide for us in future constitution-making. While it is dangerous to be caught by the political Scylla, it is equally dangerous to be swallowed by the bureaucratic Charybdis.

Our attempt must be to steer clear of the Scylla on the one hand and the Charybdis on the other hand, to combine all that is best in bureaucratic management, if I may say so, without meaning any offence, for I am perfectly confident that Members on this side will admit that democracy has a tendency sometimes to be less efficient than autocracy, but autocracy uncontrolled and irresponsible becomes quite as, bad as democracy run riot. That is exactly what has happened in South Africa. . . . .

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Far worse.

Mr. C. S. Ranga Iyer: My friend Sir Abdur Rahim says "far worse". I am certain he means by that, democracy run riot cannot be so bad as autocracy without control. (Hear, hear.) That view was expressed on this side of the House by my late lamented friend Lala Lajpat Rai who said that he wanted politicians to be Members of the Railway Board. He was then sitting in the place where my Honourable friend Sir Abdur Rahim is now sitting as leader of the Independent Party. I was sitting on the Swarajist Benches very near to the place which I am now occupying at present. I had to differ from my friend the late Lala Lajpat Rai, and if my Honourable friend Sir Abdur Rahim will look up the proceedings of this Legislative Assembly, he will find that I was applauded by my side of the House by way of agreement. The Swarajists, then, Sir, did not contemplate the complete politicalisation of the railway administration. They wanted politicians—and I shall presently come to that—but they also wanted at the same time experts. I will presently show that the constitution that France has at present, has some elements in it, has some aspects in it which could be usefully annexed to the Indian constitution of the future. In France you have complete State control of the railways. Ever since the beginning of the French railways, the State has controlled the administration of the railways. Of course, the railways were managed by companies, but controlled by the State. The State found money for the making of the railways and at a later stage they were handed over to the companies so that the business aspect fully recognised and business management fully carried out. No railway can be handed over to the politician to play with; it is not a lollypop; and politicians of the future will have to recognise it, politicians themselves will not agree to bring the railway administration in the middle of the political whirlpool. In France after the War, when faced with heavy deficits, what happened? A new convention was established, and in 1921 five railways were given representation in a board of directors called a "Committee of Direction". Each railway had three representatives, and in 1923 another railway, the Alsace-Lorraine Railway also joined this convention. Thus, there were six Railway companies which had representation in that Committee. That Committee consisted of 18 members, it was a technical committee consisting of business men who were responsible for the administration of the railways on the business side, but according to that Convention the parliamentary people, the representatives of the French people also wanted to protect the interests of the public. From the point of view of industries, from the point of view of agriculture, they wanted to control the railway policy, and therefore, Sir, the Superior Railway Council came into existence. This Superior Railway Council was made up of three bodies—the members of the railway administration 18, three representing each of the six railways, secondly, two representatives of the

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by a new Railway Board or a body between this Legislature and the Railway Board properly constituted as in France, without the disadvantages of the French body, which I have just referred to, we will not for a moment agree that the power of control in regard to policy and capital expenditure involving large expenditure of the tax payers' money should be taken away from the legislature. Now, in "Modern Railway Administration", which is a practical treatise by leading railway experts, a standard book, I find that with the object of encouraging agricultural development and co-operation, several companies such as the London and North Western and the Great Western offer specially low owners' risk rates for the conveyance of farm and dairy produce by passenger train. This originated at a series of conferences at which several interests were represented and not only were reduced rates the outcome but pamphlets were compiled and published giving the names and addresses of farmers and others who were prepared to send to townsfolk regular or occasional boxes of produce. In England the railways are not owned by the State. They are managed by private companies. Even there there is that co-operation and if any busy bodies either in this country or in Whitehall were to think of taking away the legislatures' absolute right to control and discuss the railway policy, I may say that it would be trying to take away something to the taking away of which the country would not and could not agree. But at the same time I may with equal emphasis point out that if any extreme politicians in the country imagine that they can introduce political control in the railways, we cannot agree to that for the simple reason that the history of Colonial Railways shows us that they have been a dismal failure whenever and wherever politicians interfered with them. On this matter we find material not only in General Hammond's Report, but we find material also in the documents on the subject of railways in South Africa. As I shall presently show, the railway control by the politicians there resulted in large deficits. In Canada, the Canadian Pacific Railway was looked upon by the Conservative Party as its protege. Not only in Canada, but also in South Africa and Australia, railways have been a failure as a financial proposition. The experience of these countries must warn us against making railways a matter for constant political interference.

Mr. S. C. Mitra: Without political interference, it is a failure.

Mr. C. S. Ranga Iyer: My friend Mr. Mitra says that without political interference they are a failure. I do not think he is serious in making that statement because the railways are not a failure. We have of course our quarrel with the Railway Administration but for a responsible member sitting on this side of the House to say that the railways in India are a failure is like moonshine in water.

Mr. B. Das: Why do you offer unsolicited certificates to the Railway Board?

Mr. C. S. Ranga Iyer: The certificate was solicited by the intervention of Mr. Mitra. (Laughter.) I was not giving a certificate. I was answering an interruption which was wide of the truth.

Mr. S. C. Mitra: You will hear the answer when I get the opportunity, when I shall show what the position is.

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Mr. C. S. Ranga Iyer: Mr. Mitra says that when he gets the opportunity, he will show that the Railway Administration is a failure. The very fact that I want to change the constitution shows that I am not satisfied with the present constitution of the railways, but what I was doing was comparing, from the financial point of view, Canada, Australia, South Africa and India or was contrasting, because there is more of contrast than of comparison; and I can say without any fear of contradiction that the Indian railways are more efficiently managed than the South African railways or the Australian railways or the Canadian railways (Hear, hear), and I can also say that the Indian railways have yielded more profit than the Canadian railways or the South African railways or any other Dominion railway. On that point therefore I am quite willing to accept the challenge from Mr. Mitra when he gets the opportunity to speak if he can prove to me from the administrative point of view, if he can prove to me from the financial point of view how this is a failure and that is a success. In the meantime I shall show from a memorandum quoted by Sir William Acworth in his book, "State Railway Ownership" commenting on which Acworth says: "South Africa has spoken out with considerable freedom on the subject in official documents. And South Africa may well serve as a sample. In March 1907 the Commission on the Cape Railways reported unanimously that it was impressed with the necessity of removing as far as possible the mismanagement of the railways from the influence of party politics. (Here is in more detail an account of the reasons which led to that conclusion. The quotation is from 'A Memorandum relative to Railway Organization, prepared at the request of the Railway Commissioners of the Cape Government Railways', by Sir Thomas Price, formerly General Manager of those railways and later General Manager of the Central South African Railways.)"

Here is an extract from that Memorandum:

"Political Influences—Disturbing Effect of the drawbacks in the management of the railways in the Cape that call for removal arise from the extent to which and the manner in which the authority of Parliament is exercised. They are two-fold in their character, *viz.*: the practice of public authorities, influential persons and others, bent on securing concessions or other advantages which the General Manager has either refused in the conscientious exercise of his functions, or is not likely to grant, making a representation to the Commissioner (*as the ministerial head of the Government*), supplemented by such pressure, political influence, or other means as are considered perfectly legitimate in their way, and are best calculated to attain the end applicants have in view." etc., etc.

Sir, Sir William Acworth goes on to say:

"Neither the Commission's Report nor Sir Thomas Price's memorandum can have sufficed to change matters, for in May, 1915, there was a further "Memorandum on the Control and Management of Railways and Harbours' presented to the South African Parliament by the Board of Railway Commissioners."

Here are some extracts from it:

"Any Minister, however, able and strong his character may be, is under the system of party government insensibly susceptible to party considerations and is in constant difficulties in giving impartial decisions."

Now my friend, Mr. Mitra, and others of his way of thinking should not for a moment imagine that I for one agree to the continuance of the present form of what I might describe as a railway autocracy (Hear, hear), I am now developing the other side of the case, I had made my position

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absolutely clear in regard to the control of policy when I was dwelling on the French Railway administration. However unpleasant it might be, I must equally clearly point out that I should very much object to extremist politicians of the future making the railways a sort of playground or plaything for their own pet political purposes, because such a course will only end in the total destruction of our railway assets (*Cries of* "Hear, hear" from the non-official European Group). (*Mr. Gaya Prasad Singh*: "That is what the Europeans say.") Yes, but partly. The Europeans do not agree with me when I say that the system of Railway Administration must not continue without the controlling voice, the controlling vote with regard to policy and expenditure, of the Legislature, and moreover by the bringing into existence of a constitution more or less like the constitution in self-governing France, with the same responsibilities attaching to it, with the same rights attaching to it and also with the same capacity to run it on administrative and commercial lines. Sir, there is no use blinking facts; we must accept part of what the European Members say as correct when they do not want to hand the railway management over to the politicians, but resist their purpose if they want to keep it in their own hands; if they want, as Mr. Mitra says, to monopolise it for themselves.

Mr. B. Das: Now you have grasped it.

Mr. C. S. Ranga Iyer: My Honourable friend, Mr. B. Das, says "Now you have grasped it". That shows that Mr. Das has been listening to my speech like that great man who was listening to the Ramayana and after the epic story was finished, asked, "Who was Sita to Rama?" (Laughter.) Sir, it is absurd and ridiculous for Mr. Das to interrupt and say, "Now you have grasped it". My whole position has been that the control of the Legislature must remain in regard to the policy and also in regard to the capital programme and expenditure,—the same control that French legislatures exercise in France. But at the same time I say that we do not want to make it a forum of the political parties or the political cliques as has happened in some countries with disastrous results. Sir, as I was pointing out—and I must develop this point for the very simple reason that in future I know that some sections of my countrymen would like to make the railways an appendage to their political party just as has happened in Canada, and in this matter even General Hammond has not concealed that fact. He himself has admitted that in Canada:

"Politics have always entered largely into Canadian railway policy, the Canadian Pacific Railway being regarded as the protege of the Conservative Party and the Grand Trunk of the Liberal, and it cannot be said that, despite the efforts of the President and Vice-Presidents, they have even now been eliminated from certain phases of railway policy, more particularly in respect of new lines. . . . . Politics have, however, been eliminated nearly entirely from one of the most important questions, that of rates, the control of which is in the hands of the Board of Railway Commissioners."

but that is an aspect which I would not enter into at present. I will confine myself purely to the two questions of control of policy and expenditure on one side and running it on business lines on the other, with representation for business interests and business men, not excluding politics, in the railway administration of the future, and I have shown how that is done in France.

Sir, in Australia the Australians have hardly been satisfied with the help that the railways have given to the development of agriculture even though politicians have been running the railways. In fact politics have run riot in Australia, so much so that they want to run the railways more and more on political lines. They say:

"Railways are as essential in modern agriculture" (*which is more true of India*) "as ploughs or harrows, and good farming is futile where railways are bad. In the Australian States agricultural settlement and agricultural development have from the outset been prevented and retarded by an astonishingly unenlightened and inefficient railway policy."

That shows that Australians want to control and modify the policy more and are not satisfied by the manner in which they have controlled it. We in India certainly want to control the policy keeping in mind the commercial aspect.

Again, the part played by the Canadian Railways in the industrial development may be mentioned. Mr. Ellis T. Powell, LL.B., B.Sc., in his paper before the Royal Colonial Institute in London stated:

"No sooner are we in the Eastern provinces, with our faces towards the West, than we are forcibly reminded that the first fruit of British capital of work in Canada was the Canadian Pacific, the most powerful of all the factors in Canada's industrial development."

We are anxious that the Indian railways must play the same part in India's industrial development.

Sir, there is in India a curious position. We have the State railways, we have the Company railways and I may say we have got the Government railways. When I say the State railways I mean the Indian State railways. The railways of India consisting of some 41,000 miles of various gauges are split up so far as management goes into several different categories which may be classed as follows: State-owned lines directly managed by the State, as General Hammond has put it; State-owned lines managed by Companies; Company-owned lines managed by Companies; Miscellaneous lines including lines owned by District Boards and Branch lines owned and in some cases worked by Indian Companies. In the final category are the railways in Indian States. The policy of the Government of India, Sir, in regard to the railways in Indian States was summarised in a Resolution. As we are thinking of a Federal Assembly, as in the Federal Assembly the States will be represented, and as the Federal Assembly will have to control the policy of the railways and also its capital programme leaving out matters of detail and day-to-day affairs to another body properly constituted, it is necessary to place on record the Government Resolution on the State railways, the main provisions of which may be summarised thus:

"When a proposal is made that a railway should traverse State territory, the State or States concerned will be afforded full opportunity of making representations on the subject and such representations will receive most careful consideration. Except when the proposed railway is required for strategic purposes nothing will, in the absence of a mutual agreement, be done which is calculated to infringe the sovereign rights of the States. If after full examination of all possible routes for a proposed strategic railway, it is found that there is more than one alternative feasible route, one traversing a State and the others avoiding it, the wishes of the State concerned, will, provided conditions are approximately equal, not be overruled."

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There are implications in this Resolution and complications which can be solved if the States will be represented in the railway body of the future which should be something different from the present Railway Board and which will be something more analogous to the French Superior Railway Council. Therefore, not only the Companies will have to be represented in that body, not only the State Railways will have to be represented in that body, not only the ministerial staff or whatever administrative staff the Minister chooses will have to be represented in that body, but by a decree of the Legislature the representatives of the Legislature will also have to be represented in that body and business interests as well which cannot be left in cold neglect. It is only such a comprehensive body that can take from the control of the Assembly matters of petty detail which are clogs in the wheels of railway administration. These matters must be completely taken out of the purview of the Legislature. That is my opinion because you cannot run a democracy and at the same time a business if the purpose of that democracy is, in the spirit of a mobocracy, every time to put its fingers into the administration of a business and try to wreck that business unless it is run in the interests and to serve the purposes of cliques, coteries and caucuses which will be inevitable concomitants of every democracy whether in the East or in the West. But, at the same time, you cannot, because a democracy is coming into existence, bring into existence a kind of autocracy because as was pointed out by Acworth himself jobbery without responsibility will be worse than jobbery with responsibility. What I want is a happy blend of responsibility and efficiency of business and legislative control so that we can have a successful administration of the railways run in the interests of the people themselves.

Sir, in this connection I can quote with advantage for India's future purposes the observations of Sir William Acworth contained in his Report in connection with the financial reconstruction of Austrian State Railways. That is what he says:

"In India, the railways almost all belong to the State, but the bulk of the lines have always been worked by private Companies."

Of course, I look forward to the day when Company management would cease and when all the lines will be run by the State itself. Railways. That is what he says:

"A Committee over which I had the honour to preside reported two years ago that the existing Company-management could not be allowed to continue: and the Indian Parliament has now resolved that, as each of the existing leases terminates, the Company's lines shall then be taken over for direct management by the State. I come, then, to the conclusion that the Government must retain possession of the railways on three main grounds (1) that the cession of the railways to private enterprises is politically impossible."

Objection to the Company management is taken by politicians on the ground that political and racial considerations dominate in that management and I shall, at a later stage in this debate if guillotine doesn't fall, show how the Companies have not progressed *pari passu* with the State railways in regard to certain percentage of Indianization that should have been introduced. Sir, political considerations do prevail in Company management which are objectionable:

"(2) That it would be impossible to find a purchaser or a lessee who would take over the railways on any terms which the State could reasonably accept; and (3) That history shows that it is impossible to draw a lease of State railways to private enterprise which works satisfactorily. And if this be so where railways are earning a net income, *a fortiori* it will be so where the current railway operation results in a large deficit."

Sir, what is applicable to the Austrian Railways will be equally applicable to our railways of the future because Austria is a self-governing country where a miserable mess of the railway administration has been made.

Therefore, the warning of Sir William Acworth in regard to Austria will be of very great advantage for us in the future when the administration will be coming into our hands:

"If the State is to retain possession of the railways, they must be managed as a business undertaking, in the interests of the community as a whole. Local and sectional interest must not be permitted to hamper the management. If political needs, local jealousies and provincial particularism, industrial pressure or parliamentary support of unjustifiable concessions to the staff make it impossible for the General Manager appointed by the State to shape the organisation and to conduct the management in the manner in which he deems best in the interests of the community as a whole, success will be impossible. And the failure will not be because the management is carried on in the name of the State but because the Manager is not allowed to manage. If this were to happen, it is possible that the State might find itself compelled to part with the management and even with the ownership of railways."

Mr. President: Will the Honourable Member tell the Chair how much more time he wishes to take?

Mr. C. S. Ranga Iyer: I am just going to develop the concluding part of my case. I may take half an hour.

Mr. President: Then the House will adjourn for Lunch 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.

Mr. C. S. Ranga Iyer: Sir, as I have pointed out, we must take the good in every railway administration and give up the bad. My friend, Mr. Mitra, I believe, will try to prove what he has in mind, but I do hope he will try to contradict the point that I raised, namely, that not one of the Colonial railways are better administered than the Indian railways. I only confined myself to them so far as his point was concerned. And I am quite willing to concede that I am not in a position to say that the Indian Railway is the best administered railway in the world, for the very simple reason that I lack information on that point and I lack adequate knowledge of the working of all the railways in the world; for instance the railways in China; for at the time at my disposal and with my preoccupations outside I could only make a comparative study of the railways that I have mentioned and am about to mention. I admit that in France there have been difficulties in regard to political influence. I also admit

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that French railways have been faced with deficits. The new convention to which I referred was an attempt to get over the difficulties which arose from the old convention of the 18th and 19th centuries. The French people are combating the political difficulties, and in my opinion successfully. I do not for a moment say that there is nothing good in the Colonial railway administration. The expansion of trade and commerce and agricultural development in the colonies is entirely due to the railway administration and on this point, about the good in the South African railway, it has been truly said by a very high authority that the broad features of South African State Railway policy have been low rates for raw materials for manufacture, agricultural produce, minerals and other raw products of the country with a view to stimulating agricultural and industrial development; especially low rates are granted for long distance traffic and the flat and tapering rates principles have been largely adopted. Passenger fares have been substantially reduced, particularly for suburban and long distance traffic. On the South African railways internal and commercial development has also been stimulated by low distribution rates designed to afford inland traders equality of opportunity as regards railway tariffs in competing with coastal merchants for the interior trade. That is the good in the South African railways.

But while we must keep the good, we must avoid the danger which the railways in the Union of South Africa are faced with, as pointed out by Mr. S. H. Frankel, in a statement which is naturally considered hostile in South African political circles, but which contains a good deal of truth and which may be quoted with effect on the present occasion with the prospects that we have in view. Mr. Frankel, whose book is very well documented and whose honesty as a critic is not questioned even in South Africa, says:

"Under the present system the Minister of Railways (*usually not a railway expert*) represents the interests of the Government generally rather than those of railway transport; and a political board ratifies his decisions, whilst the only expert representative of railway interests is the General Manager, already overburdened with executive duties. Under such a system the administration of railways on commercial principles becomes impossible."

Once you keep in mind that the railways must be a paying proposition, you cannot shirk the fact that they have to be treated as a business undertaking: they are not to be treated as a *dharmasala*. (Laughter.) And when my friend, Mr. B. Das, whose views I expect to have on this occasion and who does not agree with me in certain observations that I made—I think he was not contemplating, being a business man himself, that the railways should be treated as a charity proposition. They must be treated as a business proposition; and if politicians will not keep this in view, I can only say that they will be unworthy of the future which is waiting before them; and it is because I am confident that responsibility is coming, that I advocate that there should be restraint in matters of political intervention and interference for political influence will be a most poisonous thing for any commercial undertaking . . . .

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Question.

Mr. C. S. Ranga Iyer: My friend, Mr. Lahiri Chaudhury, says "Question". I want him to stand up and prove the contrary.

Mr. D. K. Lahiri Chaudhury: I will prove it.

Mr. C. S. Ranga Iyer: I hope he will. How is he going to establish that political interference in the administration of commercial railways is going to be a healthy proposition . . . .

Mr. D. K. Lahiri Chaudhury: What is in England?

Mr. C. S. Ranga Iyer: My friend asks "What is in England?" In England they are not State Railways at all: they are private-owned affairs.

Mr. D. K. Lahiri Chaudhury: But though they are managed by the Companies, the British Parliament has a control over their administration.

Mr. C. S. Ranga Iyer: I would ask my friend to read the two volumes on "Modern Railway Administration," which are in the Library. In England there is very little of State interference in the day-to-day management of the railway administration. While Parliament certainly has, as I quoted a little while ago, a controlling voice in certain matters,—because Parliament is the supreme sovereign legislature in England,—Parliament has least interfered in the railway administration in England in day-to-day details. They are private-owned railways there; and the less my friend talks of England so far as the Indian administration of railways is concerned, the better it will suit the future of the country, because I do not want that we should follow the example of the British Parliament, because I do say even now that we must exercise a good deal of control in regard alike to policy and programmes of capital expenditure. The State Railways of India are really going to be controlled by the State; but they should not be run by politicians to subserve political interests. Politicians will always have axes of their own to grind. That is true not only of the Indian politicians; it is true of politicians all over the world. At least in politics, there is only one tribe—that of politicians: there is no caste or class division or distinction so far as politicians are concerned; and everywhere, wherever possible—it is not possible in England because they are private-owned railways and private-managed railways—but it has been possible in the Colonies; it has been possible in other countries;—political interference has practically brought railways to something in the nature of financial chaos; and I hope my Honourable friend will establish when he stands up, how political interference is practised by the British Parliament in the management of British railways; until he proves his case my arguments must hold the field. (Hear, hear.) Now, Sir . . . .

Mr. N. M. Joshi (Nominated Non-Official): What is your point. How should they be controlled?

Mr. C. S. Ranga Iyer: My friend Mr. Joshi wants me to go back and repeat what I have already said and he asks how should they be controlled. He forgets I placed before the House the working of the French railways. I said that in France you have got a sort of triarchy, something in the nature of a triple control; you have got the Committee of Direction in France which consists, as I showed, of representatives from the six railways . . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Is the Honourable Member repeating what he has already said? He should go on with his observations.

Mr. C. S. Ranga Iyer: I thank you very much for your lead. I have already answered the Honourable gentleman, and I have only to say now that the French Superior Railway Council was not a mere Advisory Body, and the Superior Council that I contemplate for this country will not be a mere advisory body either. The French Council has powers and very important powers in regard to the railway administration, and those powers, Sir, I shall briefly refer to. The Superior Railway Council in France:

"is primarily an Advisory Body but in certain cases is said to possess executive powers. The Minister has to place before it all questions technical, commercial, administrative and financial which affect all the systems and he may, if he thinks fit, place before it any important questions which affect one or more."

"The Minister cannot take a decision contrary to the advice of the Superior Council until after that body has deliberated the question a second time. In the same way, the Committee of Direction can demand a reconsideration by the Superior Council, if it considers that any Resolution of the Council or decision of the Minister is opposed to the interest, which it is its duty to protect."

"One of the questions on which the Council is recognised as having executive power is that of tariffs, and particularly of 'raising tariffs in such measure as is necessary to re-establish the balance between receipts on the one hand and expenditure and loan charges on the other'."

Increases in tariffs are proposed by the Superior Railway Council for the final approval of the Minister of Public Works. Increases in tariffs will have legal force if the Minister of Public Works, after consulting the Minister of Finance, does not object to them within a month:

"Furthermore, the Minister of Public Works with the consent of the Cabinet can enforce the lowering of particular tariffs which he thinks injurious to the public interests, even though the Superior Council has twice taken a contrary resolution. Finally, all increases in tariffs which raise goods rates by more than 180 per cent. or passenger rates by more than 100 per cent., have to be ratified by Parliament and the maxima are to be subject to review every 5 years.

"The powers of the Superior Railway Council are hardly, therefore, such as we would call as executive as its decisions have to be approved, either specifically by the Minister or by his tacit acquiscence and in certain cases it can be over-ridden."

I need not dwell further on the French constitution. I would like men like my friend Mr. Joshi to study it carefully. . . . .

Mr. N. M. Joshi: I have already done it.

Mr. C. S. Ranga Iyer: He says he has already done it as a Member of the Labour Commission, and if he has as a Member of the Consultative Committee on the R. T. C. as my friend Mr. B. Das says he will do well to enlighten us further on this.

Now, Sir, let us take the case of the United States of America. There the railways are owned by private companies; they are managed by private companies. The United States of America resemble India in their wide and varied extent, but not in the State control of the railways; in the vast resources of the people, but not again in the manner in which railways are being administrated today and have to be administered in the

future. There is, as I said the other day, in America, the Inter-State Commerce Commission which has great powers. Originally its powers were limited, but its powers have greatly increased. Its extensive and comprehensive powers are due to successive Acts of Congress and decisions of the Supreme Court in regard to railway administration. But even in the United States of America where the railways are owned by private companies and managed by private companies, the Congress has the power of interference, and Mr. Lahiri Chaudhuri who is not here. . . .

Mr. D. K. Lahiri Chaudhuri: Yes, I am here.

Mr. C. S. Ranga Iyer: Oh, I see he is here on my side; he is a quite welcome neighbour,—my friend will note that in the United States of America also parliamentary control is not eliminated:

"It is important to note that Congress has the power to instruct the Inter-State Commerce Commission by resolution to carry out any policy which the Congress thinks advisable. Thus, at one time, a Resolution was passed instructing the Commission to grant as low rates as possible on agricultural produce, and it was incumbent on the Commission to implement that Resolution, interpreting the Resolution, of course, in the light of existing legislation."

(Even in the United States of America there has been some danger which will always exist in every self-governing country where the legislature wants to have power.)

"There is danger in such procedure that it may enforce on the Commission the duty of carrying out a purely political policy. There is only one instance, however, of such a Resolution for the germ of the danger is there, and it might in times of depression and stress give an opening to Congress to enforce its own political policies on the Commission".

I do not want to take away the power of the Legislature, in regard to capital programme and policy of the railways, but I do want to take away the power of the Legislature in regard to unnecessary hampering intervention in the day-to-day details on the floor of the House in the work-a-day details of commercial management. And I want to take this power out of the Legislature and put it into the hands, as they have done in France, of a Superior Railway Council whose constitution I have stated before the House, so the dirty linen will not be washed before a whole surging mob of public men and public women. (Loud Laughter.) With a large crowd of people, a large number of men and women who take part in public life, with their conclaves, coteries, newspaper campaigning on petty particulars and very very ordinary details, no commercial management can be a successful proposition. Therefore, I want to take that power out of the hands of the Legislature and put it in the hands of a body in which the Legislature will have representation, in which business interests should have representation, in which the Government should have representation, and in which the railways should have representation.

And then comes the question of the Railway Board. I will reconstitute the Railway Board, and on the reconstitution of the Railway Board it is unnecessary for me to dwell, because my views are very well known. I will not necessarily eliminate from the Railway Board certain form of representation, as for instance I will not say that so long as India has the British connection, that European representation should be eliminated from it; I will not be a party to the elimination of European representation on the Railway Board. But at the same time being an Indian Board, it should be run and managed and conducted by Indians, for the good of

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India, for the benefit of the nation and for the prosperity of the railways themselves, and through the railways, the taxpayer.

In conclusion, I would take a generous view in regard to representation on the railways as a whole. I will not take a parochial view, but I will take a patriotic view, namely, it should be out and out Indian, yet we must have on the railways of India experienced and competent men including experts from England. I do not say for a moment that I can contemplate for many days to come the running of the railways purely on national lines. Instead I would advocate their being run on commercial lines which will neither exclude nor include people on considerations of race or caste, but whose governing principle will be efficiency,—all the time remembering that they should in the main be run by Indians for Indians and for Indian glory and Indian prosperity and also for the vindication of Indian competence—the fact that Indians can run their railways as well as or even better than the best run railways in the world. (Applause.)

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): I rise to offer my congratulations to the Honourable the Mover of this motion for the very exhaustive and able way in which he has outlined his idea as to how our railways should be treated under the future constitution. I however found it rather difficult at times to follow him in some of his mental somersaults, but I must admit that his views possessed a great deal of weight. Unfortunately much of that weight was discounted by the very heavy indents he made on the views and Reports of various authorities on railway administration. He quoted Sir William Acworth and General Hammond, recognised authorities who can safely be relied upon to support one's opinion. However much these two authorities may diverge in their opinion, there is no doubt that their views converge in one direction, and that is, as my Honourable friend Mr. Ranga Iyer has so emphatically stated, the Legislature should not be allowed to control the day-to-day administration of railways.

The speaker in his various remarks repeatedly referred to French railways which he quoted as his ideal in railway administration. Sir, I wonder whether he has travelled much on French railways. If he had, I am sure he will agree with me that as far as administration is concerned, as far as financial returns are concerned, and as far as the number of accidents and the safety of passengers are concerned, France is certainly not an ideal upon which Indian railways should be founded. But, Sir, I can see what is behind the mind of the Honourable the Mover of this motion when he quotes France as his ideal forgetting the fact that French railways with less mileage than Indian railways lost £25 millions last year. His idea is that we should have a large body of Directors controlling our Railway Administration on the French system which he says is composed of the finest democratic control together with sound commercial management, a system which General Hammond has condemned. The proof of the pudding however is in the eating thereof, and if one is to assess the competency or incompetency, or to use a very much hackneyed phrase as heard to-day in this House, the "efficiency" or "inefficiency" of a railway, the French administration of railways would certainly be the very last that I would offer as a model. I agree with the Mover that in certain matters the Legislature must have a final say. But, Sir, I do not think any one

in this House will deny that if you try to mix politics with business and commerce, you generally get a bad amalgam, an amalgam which yields a very thick precipitate of inefficiency. Mr. Ranga Iyer said,—I quote his words—"the Legislature should not interfere with the business or the management of the railways but must be able to control its policy and capital programme". This I am afraid was his first mental somersault. He began his speech by saying that politicians should not interfere with Railway control, he now wants this control of the capital programme, and I should like to know how he is going to separate capital programme from the day-to-day administration of a railway. Let us see how railways are run in other countries? Mr. Ranga Iyer has given us a very full account of this matter. He instanced British railways which are all run by private enterprise with very little parliamentary or legislative control except the Board of Trade. Then he referred at length to American railways which we know are controlled by the Central Federal Government but subject to the primary control of the Inter-State Commerce Commission. He also referred to the Canadian, Australian and other Dominions railways. We know that the main difference between the administrations of Canada and Australia is that in the former the residuary power remains with the Central Government, while in Australia it rests with the provinces. Sir, that is a fundamental difference, and mainly accounts for the difference in efficiency of railways in these two countries. But I should like my Honourable friend to tell me if there is one railway in the world to-day that is being so efficiently run, *i.e.*, at a profit as to be accepted by us as an ideal for our new constitution. The conditions and the needs of India are pathognomonic to this country. The Honourable Member told us that the Canadian, Australian and South African railways are worse off in every way and are not so well administered as Indian railways. If this is his opinion and belief, I do not see any reason why he should want to change the present administration of Indian railways with which he is apparently well satisfied. But my Honourable friend struck the soundest and truest note when he declared his faith to be—I use his words again—'I do certainly very strongly oppose any idea of railways becoming the playthings of the politicians." But here again he performed another mental somersault, for he wound up his observation by saying that Indian railways should be under the control of the Legislature,—again quoting his own words subject to correction, "I want control by the Legislature of railway policy and expenditure on one side as against its non-interference with the day-to-day administration on the other side". And he added that as in Australia industrial development was secured by the political control of railways, he desired a similar situation to be created in this country. Sir, I have personally always had grave doubts—I know the opposite side will not agree with me—as to the wisdom or unwisdom of the transfer of Indian railways from Company to State control. I feel I can trace the decadence of their financial prosperity from the date this transfer was effected. And if I were asked to support my statement, I would refer to the present financial prosperity of the only railway in India which is showing any good return—the Bengal and North Western Railway—a Company-managed railway. But this change of administration is past history and there is no use crying over spilt milk, let us spill no more, and in looking ahead the first point I want to settle in my mind is this. Let me present it to this House in the form of a riddle. When is a policy not a policy? If my friend Mr. Ranga Iyer or any of those seated on the Government

[Sir Henry Gidney.]

Benches will answer me this question I will sit down and say no more, because in my opinion the whole future of Indian railway administration depends on the interpretation this Legislature is prepared to apply to the word "policy". Policy is a very elastic phrase exposed to different interpretations and applications and can be used as a political lever by any party that may be in power. I believe, if this House solves that point it will have really solved most of the difficulties of the future administration of our railways. Let me put it in another way. What is a policy and what is not a policy as far as administration of Indian railways is concerned? Another point you will have to consider is this, will rates and fares come under "policy", if so will it be controlled by the Federal Legislature? (*Mr. S. C. Mitra*: "Certainly.") Or will it come under day-to-day administration? If rates and fares are to be included under "policy" and placed under legislative control, the House I am sure will agree with me that, not being a technical or an expert body, not one of them will be able adequately to deal with the matter; in other words, you will have to create an absolutely independent body, call it the Rates Advisory Tribunal, free from legislative control and the control of day-to-day railway administration, but its reports should be and must be subject to the criticism of the Federal Legislature. Railway rates and fares are too intricate and technical a subject to run the risk of amateur legislative interference and control. Another question we shall have to settle is this: Will railway inspection work, *i.e.*, the public safety as also the hours of employment, be placed under the control of the day-to-day railway administration? These cannot be subject to such control. You will have to create a separate independent body to administer this part of railway administration because the main duties of inspection work is to criticise the work of the day-to-day railway administration. Therefore, we shall require to create an independent body whose reports will of course be subject to legislative criticism. I detail these difficulties not to complicate an already intensely difficult and complex problem, but to emphasise the grave dangers attending any political control or interference by the Legislature in such highly technical and scientific departments of railway administration. We see enough harm being done to-day to our Railways, the result of interference by the present House. Let us take a warning from this and let not our politicians of the future Legislature be permitted to interfere with the men at the wheel or give them this power when we constitute our new Railway Statutory Board, lest it be abused and our Railways suffer. This House should deal with its new Railway Statutory Board more as practical statesmen in grim quest of an efficient and productive railway administration serving the needs of all the peoples of India rather than politicians intoxicated with a lust for political control and powers of interference which on every application is sure to operate as spokes in the wheels of every railway coach and locomotive and cause a derailment. My conception of sound railway administration is this: There should be an Executive Board or Committee comprised entirely of technical experts recruited from our Indian railways. This Committee would organise and control the day-to-day administration of all railways. In addition to this there should be another Committee or Board to be called the Business Board or Committee constituted somewhat on the following lines. This Board should be composed of (1) the Chairman and say one other member of the executive or technical committee. My reason for suggesting two

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technical experts is to supply the Business Committee with guidance on both traffic and engineering needs and problems of railways. (2) There should be some well known businessmen as members. (3) Then there should be representatives of the various important communities as members of this committee. (4) In addition there should be representatives from the principal political Parties of the Federal Legislature. Such a composition of the Business Board or Board of Control would approach the French system which Mr. Ranga Iyer has offered as his ideal. I am asked who is going to appoint these committees. Whoever does this there will still remain the dissatisfied who spend their lives in appointments and disappointments. I think this is a knotty problem. Perhaps the best way would be to leave the appointment of the executive committee or the major portion of it in the hands of the Governor General. With regard to the Business Committee this should be done by election in this House. Members of this committee need not be restricted to the Federal Assembly, they may be selected from outside or the upper chamber. But whatever method is accepted there must be the stipulation that when a member is elected from any of the two Houses, he should immediately resign his seat in the Legislature. (Interruption by Mr. Sykes.) But, Sir, beyond and behind all this there is no doubt that the powers of the Executive Committee must be clearly defined and there must be no interference whatever with its duties by either the Business Board or the Federal Councils of the future Government, but the Executive Committee can be called upon for an account of its administration if the Railways are being worked at a loss and on those points criticism made on their day-to-day work by the Inspection Department. But above all else the new constitution must define in precise terms what are to be considered questions of policy and what are not to be considered questions of policy.

Mr. N. M. Joshi: I am sorry I was not present to listen to the interesting speech of my Honourable friend Mr. Ranga Iyer from the very beginning, but I feel I have now some idea as to what the trend of his argument was, and I propose to offer only a few remarks on the subject which he has raised. Mr. Ranga Iyer said that the Indian railways should be run on commercial and business lines. I feel, Sir, when the Indian railways were established, they were not established as a commercial or a business proposal or undertaking. The Indian railways in my humble judgment were established as a national service. The country needed means of transportation. People wanted to go from one place to another and they wanted to carry their goods. It was with that object that the Indian railways were established. I therefore do not agree with my Honourable friend Mr. Ranga Iyer when he said that the railways should be run as a commercial or business undertaking. I feel, Sir, that the Indian railways should be conducted as a national service, as a service needed for the welfare of the whole community and the whole country. It is wrong to treat railways as a means of profit. Commercial and business undertakings are conducted mainly with the object of making profits. I would not like Indian railways to be run in order that those who are managing the railways—it may be on behalf of the whole country—should make profits in the sense that they should collect money, because then you will use the Indian railways as a means of taxation. I believe that is a bad method of taxation. If you want to raise taxation, by all means raise it by proper means, but to use the railways as a means of taxation is a wrong method.

[Mr. N. M. Joshi.]

I feel that the railways are a national service intended for developing means of transportation in the country. They must be controlled by the Legislature or by some organisation which can act on behalf of the country and the whole community, and in present circumstances I cannot see any other organisation that can represent the whole country except the Legislature. I therefore feel that the Legislature should be the supreme authority in the control of the Indian railways. Then only shall we get the Indian railways on the lines the country needs, namely, as a national service. Although I am prepared to advocate that the Indian railways should be finally and ultimately controlled by the Indian Legislature, it is quite possible that the Indian Legislature itself might find that, in the first place, it has not got sufficient time to give to the supervision of the work of the Indian railways, and it may also come to the conclusion that the Legislature, which is being elected on different issues, may not have also the men who know the affairs of railways. I feel sure that the Indian railways may come to the conclusion, that the whole task of managing the railways may be transferred to a body which the Legislature itself can trust to act on behalf of the whole community and on behalf of the whole country. Sir, as a Member of the Legislature, I have some experience, and I have come to the conclusion that the great national undertaking which we have developed does not receive sufficient attention from the Legislature. (Hear, hear.) Sir, I have no desire to blame anybody because the constitution is such that the Legislature has to look after several things; the Legislature is not created only to look after the railways; it has to look after a hundred other things; therefore it does not find time to go into the details of the railway administration. Secondly, as I have stated, the Legislature is elected on different issues and it is quite possible that all the Members may not know all the details the knowledge of which is required in people who are supposed to manage Indian railways. I therefore feel that it is necessary that the management of the railways should be transferred by the Legislature to somebody in whom the Legislature will have confidence.

Now, Sir, when we come to this point, I feel that the body to be created must be a body which will represent all the interests which are concerned in the management of the railways. Now the main interest, in my judgment, is the interest of the people for whose benefit the railways are created, I mean those people who want to use the railways. The persons whose interests must in the main be taken into consideration are, in my humble judgment, the users of the railways. Of course by all means first take that class of people who use the railways in the largest number, I mean the poor third class passengers, who have the largest interest in the management of the Indian railways. As that one interest gives you the largest amount of money, any Board or organization which is to be created for the management of the Indian railways must be representative of those people who use the railways so largely. If the representation is to be separated and divided, I must say that it must mainly be representative of the third class railway passengers. Sir, I shall not be against giving some representation to the second class and even to the first class passengers. (*Mr. H. P. Mody*: "Thank you.") But the main representation must go to the third class passenger. . . .

The Honourable Sir George Rainy (Member for Commerce and Railways): Will the Honourable Member apply the same principles to the Indian Legislature?

Mr. N. M. Joshi: Yes, Sir. Then, Sir, I also quite realize that the railways are also used for the purpose of carrying goods. Now, by all means give due representation to that interest also. Then, Sir, I also feel that under the present circumstances all those people who have put in their money into the establishment of these railways must have also some representation. Let capital, therefore, also be represented. Now the capital of the Indian railways belongs to the country, at any rate most of it, and therefore some body which can act on behalf of the country will have to be represented and I feel, Sir, that there is no body which can represent the capital on behalf of the country but the Indian Legislature. (Hear, hear.) Some people may not like the Indian Legislature to be represented, but I want to know, Sir, who will represent that portion of the interest which is capital. The capital, it is true, is borrowed capital, but ultimately who is responsible for paying back that capital or paying the interest on that capital but the country and the whole community, and if there is any organization which can represent the country and the whole community, it is the Legislature. (Hear, hear.) I therefore feel that if you do not give any representation to the Legislature, you will not be giving representation to the capital which is invested in the Indian railways.

Then, Sir, there is a third class of interest which must be represented and that is those people who are actually running the railways, I mean the railway employees. You may have capital, and there may be passengers willing to travel on the railways, but how can you have railways run unless you have got a large body of competent men who would be willing to work for those railways? I therefore feel that, if a body is to be created for the management of the Indian railways, that body must also represent the Indian railway employees. I am glad my Honourable friend, Mr. Ranga Iyer, pointed out the example of the constitution of the Board as it exists for France. The French Board has on it two representatives of the different systems and there are 12 representatives of the railway employees on the French Board, and I think that it is a very good provision. I therefore feel that if we can create an organization which will represent the users of the railways, the passengers, as well as the capital as represented by the community, and as well as the employees running the railways, then the Legislature can very safely transfer its own power to such an organization. The extent to which the Legislature can transfer its own functions to that body will depend on the representative character of the organization which the Legislature will create. If the organization created by the Legislature is thoroughly representative of all the interests, then certainly I shall transfer almost all the functions of the Legislature to that body. Still it is quite true that all the functions of the Legislature cannot be transferred to that body because the Legislature is a body which will co-ordinate ultimately the functions of all the industrial organizations which we may create. Today we may create an organization for the management of the railways. Tomorrow we may have to create an organization for the management of the mercantile marine which we may develop and which we all hope to develop. Perhaps after a few years we may develop some other industrial undertaking. Therefore, although the Legislature may create different organizations for the management of the

[Mr. N. M. Joshi.]

different industries, there must be an organization which will co-ordinate the work of all these different organizations managing the different industries. I therefore feel that some control in co-ordinating these organizations which the Legislature may create must be left in the hands of the supreme Legislature. I feel, Sir, if such an arrangement is made, the railways in India will be run as a national service and not as a mere business or commercial proposition. Sir, I shall say one word more. There is a proposal that a statutory Board may be created by an Act of Parliament. I feel that that is a wrong idea. (*Mr. B. Das*: "Certainly so.") No Parliament has a right to create a body which is to manage the Indian railways on which the voice of the Indian nation cannot be secured, and therefore if a Board is to be created, it must be created by the Indian Legislature. Sir, I have done.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, I would like to congratulate my Honourable friend, Mr. Ranga Iyer, on raising an issue of first-class importance and on initiating general principles which I think on the whole are very sound. But, Sir, my Honourable friend has placed this House in a rather difficult position. He has asked this House in the course of an afternoon's discussion to lay down the general lines of the constitution of the railway administration which might be expected to come into existence when a new Legislature with new responsibilities is brought into existence. I submit, Sir, it is not possible for us to attempt any such solution of the very complex problem raised before the House. My Honourable friend's speech is itself an illustration of that difficulty. I listened to it with great interest, as I am sure every other Member has, but I have failed to find in it, in spite of his exhaustive treatment of the subject, any concrete suggestion or solution beyond the general benediction which he has pronounced upon the French system. As my Honourable friend, Sir Henry Gidney, has just pointed out, the French system is not exactly a model to be copied by anybody. The point that I am trying to make is that it is not for this House in this fashion to try and hammer out a solution of a problem which has been ventilated before the Round Table Conference but which has not gone beyond the stage of preliminary discussion. My submission would be that this is eminently a problem for which it would be necessary to set up an independent *ad hoc* Committee. I would be the last man to detract from the value of the work of the various Committees set up by the Round Table Conference, but I say, Sir, with great respect and at the same time with great emphasis that this question is not going to be solved by any of the Committees which have been set up. I understand that this very day the question was before the Consultative Committee of the Round Table Conference. I do not want to hazard a guess and all that I would like to say is that I should be very greatly surprised if the Consultative Committee has not passed it on to some other Committee or has not reserved the question for future discussion. I repeat that this question is of such considerable importance, and the railways are an enterprise of such magnitude, that it is very essential that we should have a Committee of experts if you like, and also of businessmen, and of representatives of various other interests, who might be in a position to offer a workman-like solution of a problem which has not even now been satisfactorily solved in many countries where the State owns and manages railways. Therefore, my submission would be, while we may offer various suggestions here, that no

possible solution of this question which could be at all satisfactory or adequate can be arrived at on the floor of the House. My Honourable friend Sir Henry Gidney has put forward his own suggestions. Mr. Joshi followed him with other ideas of his own. It would be easy to make suggestions, and it would be easier still to knock them down, and, so far as I am concerned, I am not going to set up nine pins for my Honourable friend Sir George Rainy to knock down. I am not going to deal today with the question as to what sort of body should be constituted, what should be its functions and how far the control of the Legislature should be exercised on the operations of that body. That is not my reason for intervention in this debate. I would only like to deal with the general considerations which the Honourable the Mover of this Resolution has placed before the House. I entirely and whole-heartedly agree with him in the suggestion that whatever constitution you may assign to the body or bodies which you are going to set up, political influences should be altogether absent from the composition and consideration of these bodies. My Honourable friend Mr. Joshi has acquired a sudden love for the Indian Legislature. He has suggested that this House is the proper body for the purpose of controlling either directly or through the medium of some other Committee the railway administration of this country. But when it came to suggesting how this Legislature was to exercise these functions, the only thing that I could get from my Honourable friend was third class passengers and railway labourers.

Mr. N. M. Joshi: I did not say that. I said that all interests should be protected.

Mr. H. P. Mody: I was merely freely paraphrasing what my Honourable friend said. Now, Sir, I do not ignore the value of the representation of third class passengers, but I am afraid that it is not the third class passengers who will have a say in the matter, but it will be the third class politicians, and to these I have a very rooted objection. (Applause.) And when it comes to the question of the representation of labour, I do not mind the genuine representation of labour, but I distrust very heartily the sort of representation which labour interests often receive. Sir, the Legislature is certainly not the body in my opinion for the day-to-day control of the railway administration of the country. I am not going to suggest for a single moment that for that reason the control of that body should be done away with. I certainly say that in large questions of policy the voice of this House should be supreme. That I am not going to dispute. But how a compromise is to be effected between the very healthy check which this House must exercise on the operations of any Statutory body and the day-to-day conduct of the administration of a large undertaking is a matter on which I for one have no clear-cut solution at the present moment. Sir, while I am sure in my own mind that political influences should be eliminated at all costs from the working of this statutory authority, I am equally certain that I would not like to place the whole administration of the railways in the uncontrolled hands of a body of experts. I distrust experts. (Hear, hear.) Sir, an expert is very often a man who tells you what to do with your affairs after you have done something else with them. While they may be very useful in their place, I would certainly not like the administration of the railways to be wholly entrusted to a body of so-called experts or, to give them

[Mr. H. P. Mody.]

another name, a body of doctrinaires. They are all right, as I said, in their place, but any small body of men when they are charged with important functions degenerate into little bureaucracies. I do not care whether it is a white bureaucracy or a brown bureaucracy, for bureaucracy all over the world, whatever its complexion, is tinged with the same prejudices and charged with the same disabilities. Take, for instance what the Railway Board has done in the past. When I talk of the Railway Board, I must be distinctly understood as confining my criticisms to the policy and actions of the Railway Board in the past. Thanks to a very vigilant Press, and even more vigilant Members of this House, the policy of the Railway Board and its actions are now more or less controlled, if I may say so, in the general interests. But all these years, when the Railway Board had no one to look after their operations, no one to control them, no one with a determining voice in the way they conducted the railways, what has been the record of the Railway Board? The record of the Railway Board shows an open defiance of popular opinion and a complete disregard of the general interests. In their treatment of third class passengers, in their treatment of the question of rates and freights, in their treatment of the interests of industries and commerce, I do not think, Sir, that it can be said that the Railway Board's administration was inspired by respect for the interests of those whom it was brought into existence to serve. To-day the Railway Board is animated by a different spirit, and my Honourable friends have taken the occasion of this discussion on the Railway Budget to congratulate Sir George Rainy on the admirable way in which he has conducted himself not merely as a Member of the Government of India but as a Member in charge of the Railways. I whole-heartedly join my friends in paying a tribute to the way in which my Honourable friend Sir George Rainy has discharged the responsibilities of his office. I can only say that we shall miss him very greatly and that we hope that his successor, whoever he may be, will be animated by the same high purpose and may have the same courage and determination for the purpose of carrying out the policies which his judgment has approved.

To return to my point, the record of the Railway Board does not inspire any confidence in the creation of any other similar organisation, uncontrolled by either the Legislature or by any section of the public. Therefore, I would strongly oppose any suggestion that any body which might be created should be entirely immune from any sort of check or control on the part of the representatives of the people.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): The Honourable Member has not stated yet what sort of people would be controlling.

Mr. H. P. Mody: I have stated this, that I am not prepared to leave the control altogether in the hands of third class passengers and the employees of railways.

Mr. N. M. Joshi: First class politicians.

Mr. H. P. Mody: First class passengers are there and they will continue to be there in spite of the socialistic theories of my Honourable friend Mr. Joshi . . . .

Mr. K. Ahmed: My friend Mr. Joshi said the interest of "first class politicians", but Mr. Mody seems to have got wedded to only 3rd class passengers, and has no direct answer.

Mr. H. P. Mody: I see a very formidable combination on that Bench. (Laughter.) I do not think that I would be entirely unequal to handling my Honourable friends over there, but I feel that I would be encroaching very greatly on the time of the House if I answered all their interruptions. Therefore, I would like to come back to the point from which I started. Let us enunciate general principles, but let us very carefully avoid getting into details. Let us press forward the suggestion that this is a matter which is primarily to be entrusted to a committee of people who know something about it, and that all that this House can do is to express a general opinion. I ask my Honourable friends not to fall into the error of making concrete suggestions as to how this Board should be constituted. I know the Honourable the Leader of the House well, and he can without mercy and with clear and incisive logic destroy every suggestion we have said. I am anxious that the motion of my Honourable friend Mr. Ranga Iyer should be very carefully considered by this House, and there should be some sort of unanimity about the general principles he has enunciated. Of course, we have each our own point of view but I think I am right in saying that so far as principles are concerned we are more or less in agreement. I should like to see the man here who will say that he will allow political considerations to influence the actions of the railway authority. I should also like to know what Honourable Member can get up in his place and say that he is prepared to leave the whole control in the hands of a small coterie of men who may or who may not prove responsive to public opinion. These are the two principles which emerge from the motion of my Honourable friend, and I hope attention will be solely directed to them, and that we shall avoid all temptation of getting into details which would land us on dangerous ground.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): I would like to join my Honourable friend Mr. Mody in congratulating the Honourable the Mover of this motion for drawing attention of this House to a matter of very great importance. My Honourable friend Mr. Ranga Iyer in his very able speech has demonstrated fully that in dealing with questions of economics and business he can be as moderate as he is fierce when he deals with questions relating to politics.

Mr. N. M. Joshi: Is it a compliment?

Mr. R. K. Shanmukham Chetty: If I am intervening in this debate to-day, it is not with the idea of offering any constructive suggestion as to the composition and functions of this new statutory board which is contemplated but to draw the attention of the House to the very unsatisfactory way in which the whole question has so far been handled. The future administration of the Indian railways is a matter of very great importance, especially at a time of great constitutional change. Pointed attention was drawn to the importance of this question and the possibility of a solution was offered for the first time in the Despatch of the Government of India on constitutional reforms. If only the Government of India had carried out in the subsequent stages the plan of action as contemplated by them in that Despatch we would have been nearer a solution than we find ourselves actually to-day. With a great many of the general principles enunciated

[Mr. R. K. Shanmukham Chetty.]

in the Government of India Despatch, every impartially minded man would be in complete agreement. That the Indian railways are a very great asset to the country, that the commercial management of the railways must be entrusted in the hands of an impartial body freed from political control and that at the same time due provision ought to be made for control over policy are matters about which there cannot be two opinions. I do not think that my Honourable friend Mr. Joshi would get very much support for the strange dictum that he made this afternoon that the Indian railways are not to be considered as business propositions. Though Indian railways are a national proposition, though the railways are the greatest of the public utility concerns, yet the railways are primarily a business and commercial concern and unless they are run as commercial concerns on sound business principles, they will fail to achieve the very object of serving the national purpose which my Honourable friend Mr. Joshi has in view. If the Indian railways are to be really public utility concerns, if they are to serve the interests of the nation not merely to afford travelling facilities for the public but to promote and develop agriculture and industry, they must primarily and in the first instance be managed on sound business lines. It is therefore a matter of the deepest concern that we should devise some means to ensure that efficient management for the Indian railways which we are all contemplating. After the attention of the public was drawn to this aspect of the question by the Government of India Despatch, the next time I heard about this matter was in the report of the Federal Structure Sub-Committee of the Round Table Conference. I have been following very closely the history of this question and when I asked some of my friends who attended the Round Table Conference, they told me that the idea of a Statutory Railway Board for India was more or less smuggled into the Report of the Federal Structure Sub-Committee and there was really no discussion worth mentioning in the Sub-Committee itself. This afternoon three Honourable Members of this House who represented us in the Round Table Conference took part in this debate. I was very anxiously looking forward to hearing something from them definite as to what was done at the Round Table Conference on this question.

An Honourable Member: Nothing, precious little.

Mr. R. K. Shanmukham Chetty: My Honourable friend says that nothing was done. I find a reference to the statutory Board for the first time after the Government of India's Despatch in the report of the Federal Structure Sub-Committee. Later on I was told that Brigadier General Hammond was deputed to prepare a memorandum on the subject, and the last that I have heard of it is that it forms the subject of consideration in the Consultative Committee of the Round Table Conference.

An Honourable Member: They have finished with it.

Mr. R. K. Shanmukham Chetty: I would not be surprised if they have finished with it, leaving us no wiser than we were at the beginning. I said that the enunciation of general principles, as embodied in the Government of India Despatch, is one which will meet practically with unanimous approval. In paragraph 195 of the Despatch the Government of India observe:

> "It is our desire to see the direction of railway policy placed in the hands of popular ministers, but it seems to us an indispensable preliminary that a system of administration should first be established which will provide for the efficient commercial management of the railways and will also to a large extent safeguard the purposes of Parliament and avoid the necessity of detailed control."

I am prepared to subscribe *in toto* to the enunciation of general principles as embodied there, though I must enter a mild protest against the over-emphasis laid on the safeguard for the purpose of ensuring Parliamentary control in certain matters. It may be that a great deal of the money invested in the Indian railways was raised under the authority of Parliament and on the responsibility of the Secretary of State. It may be argued that a logical corollary to this state of affairs is that Parliament must satisfy itself that the Indian railways are managed in such a way as not to endanger the capital which was raised under the authority of Parliament. While I am prepared to accept the force underlying this argument, I might be pardoned if I venture to state that the future well-being of the Indian railways is at least as much the concern of the Indian public and the Indian Ministers as it is the concern of the British Parliament. The money invested in the Indian railways was not raised on the security of the assets of the Indian railways; the money that we have borrowed and spent on railway enterprise has been raised on the security of the general revenues of India. If the railways of India are mismanaged, and if they are not in a position to pay either the whole or part of the Rs. 33½ crores of interest charges that they have to meet, the greatest embarrassment and difficulty will first be caused to the Indian minister of finance rather than to the British Parliament. Any mismanagement of the Indian railways most seriously upsets at least the ways and means position of any Finance Minister in India. It is, therefore, primarily the concern of an Indian Finance Minister and an Indian Parliament to ensure that the railways of India will not be mismanaged, that they will at least earn sufficient money to pay interest charges and not to put that burden on the general taxpayer. I therefore contend that it is not merely to safeguard the purposes of the British Parliament, but in the general financial interests of India as a whole, that the railway administration must be placed on a sound basis which will ensure freedom from political control in matters of day-to-day administration and which will also give to the legislature control in questions of general policy.

It is very easy to enunciate these doctrines again and again. But it is when we begin to apply this doctrine to the actual facts of the situation that we are faced with very serious difficulties. My complaint today is that the Government of India have not taken the necessary steps to bring us nearer a solution. When they drafted this report, they were fully alive to the needs of the situation and what ought to be done. In paragraph 195 they say:

> "It will be obvious that it would be impossible to devise a satisfactory scheme of administration without a detailed inquiry by a committee or commission. Such an inquiry should, we think, be instituted as soon as possible."

The Government of India were on the right track for a solution of the problem when they drafted this paragraph; but then they drifted afterwards. After a cursory examination of this problem—if it can be called an examination at all—in the Federal Structure Committee of the Round Table Conference Brigadier General Hammond was appointed to prepare a memorandum. I do not know anything about the credentials of this distinguished gentleman. I am told that even this task was given to the Brigadier General, not at the instance of the Round Table Conference or any of its Committees, but at the instance of the Secretary of State himself. I do not know exactly what exactly are the credentials of this distinguished gentleman for preparing this memorandum . . .

[Raja Bahadur G. Krishnamachariar.]

category of a politician? In whose hands then are you going to place the railway administration? Sir, we have been accustomed to say things without definitely, clearly and unambiguously keeping before our eyes what it is exactly that we want. It is absolutely impossible, I very respectfully submit, to keep the railway administration in the hands of a man like that stated in the speech, because if he is not one already, he develops immediately into a politician the moment you give him power.

Now, my friend Mr. Ranga Iyer stated that in France there are 30 gentlemen out of 60 in a body who look after the railway administration. Were they elected by somebody or not? I suppose they were elected by some Senate or some such body in France, and are they not politicians? Take a commercial man himself. Are not my friends over there on the European Benches politicians? (*An Honourable Member*: "What about Mr. Mody?") I am coming to my friend Mr. Mody, and I shall deal with him separately later on. Are not my friends over there on the European Benches politicians? (*Some European Members*: "No, we are not.") That is just what I say. The whole thing is, either you are a politician or you are not. Now, what is a politician? Echo answers what? I don't understand these high politics. I am a very humble man, but here and there I have read some thing about politics, and if I have made a mistake I hope the House will excuse me. In England those who administer and guide the whole thing, are they politicians or not? Now, who carried out the war, the Armageddon? Who started this army organization? Are they not politicians? I am proud to say here that the man who first organised the Army on a war basis was a lawyer and I am proud to own I am a very humble follower of that noble profession. So that, laying myself open to the blame of repetition, I say the most important difficulty and the most important thing that you have got to do before you can decide the question is to find out and decide who is a politician.

Now, it is not an academic question that I am raising. My friend Mr. Ranga Iyer has enunciated a proposition which my friend Mr. Chetty has supported, but who is to regulate the policy underlying your administration? By whom is it to be regulated? By the Legislature. I thought that this Legislature was a political body. Very well, then, who is going to regulate your policy? I very respectfully submit that it is absolutely impossible to separate politics from any person who has got anything to do with any branch of administration under any Government in the world. (*An Honourable Member*: "Political influence.") I am coming to it now. My friend Mr. Mody confirms what my friend Mr. Ranga Iyer says, that you must not bring in political influence. That is only a paraphrase of the original proposition. Now you want the administration placed in the hands of a man who has no political influence. I am an old fashioned man, I cannot think of any ideals. Why am I an idol worshipper? Because I cannot think of things in the abstract. If you put an idol before me I know what to think of it. My friend says the administration must be in the hands of persons who have no political influence.

Mr. C. S. Ranga Iyer: In the hands of people who are free from political influence.

Raja Bahadur G. Krishnamachariar: Political influence. I thought in English it did not make much difference. However, that is another matter. He says that it should be placed in the hands of people who are free from political influence. Is my friend Mr. Ranga Iyer free from political influence (Laughter)?

Mr. C. S. Ranga Iyer: The administration must be free from political influence.

Raja Bahadur G. Krishnamachariar: Trying to understand that and translating it into practice, we shall take it that administration consists of appointments as one of the most important thing. Nine questions out of ten in this House have been and are in respect of appointments, whether of Muslims, Hindus, Sikhs, or depressed classes, or whatever it may be. So that I take it that appointment of officials forms part of the administration of a great department. Who is going to make the appointments? The Public Service Commission? You have got four men there. Now, you have got in the Government of India department three or four gentlemen. I have nothing to say about their honesty, about their integrity, and about their conscientiousness, but there is a book called "The Study of Sociology" by Herbert Spencer, which deals with different kinds of bias. Political bias is often in the back of the mentalities of these gentlemen, and boiling down the whole thing, you will find the last residue consists of political bias and nothing else. I do not blame them. I have had something to do with administrative questions,—I hope I did not do it very, very badly,—and the question they always put when a question of favouritism arose at the hands of the bigger officials was this. "What is it that you want them to do?" Supposing there is a Muhammadan high official, if he appoints a Muhammadan there is prejudice. If he appoints a Hindu there is still prejudice because it will be said that he wants to take advantage of his position by appointing one Hindu so that he can appoint eight Muhammadans to-morrow. It is only arguing in a circle. Taking my Honourable friend Mr. Mody's position, I have had some experience of the way in which his mind works as far as taxation is concerned. I know he is so very tender to the interests of the agriculturist that the huge dividends that those gentlemen pocket in Bombay should not be touched by even a single pie, and when the Finance Member, or the Railway Member, or some other Member on the other side wants money, where is the money to come from? Take hold of the agriculturist and get it from him! He asks, is there any tax on agricultural income in India? No. Then that must be taxed because it is a scientific taxation, but not income-tax on the huge dividends which swell the pockets of these Bombay people! Similarly, when the most over-taxed country in the world wants a little money, Mr. Mody, with money bulging in both his pockets, would not really part with a single pie! He is not a politician! What, then, is he? Therefore, it is futile, it is absolutely impossible for you to make any good definition of politics, and politician and all that. And with regard to the railway politics, my Honourable friend Mr. Chetty has pointed out the difficulty about rates. There is a difference of opinion: Brigadier General Hammond and Colonel Gidney are at logger heads as to which is policy and which is not.

4 P.M.

Sir, there is a little bit of trouble that I want to place before the House. When I was working in some corner of this country which is generally brushed aside as a backward portion in India, goods passed from Manmad to Bombay and from Bombay to Wadi—all those things

[Mr. B. Das.]

railways under a statutory body. If I understand the railway policy, railways exist for four purposes. The railways were built for transportation of the military in India. Then the British merchants wanted orders for railway materials. Railways were built to supply cheap transport for raw materials and cheap food stuff to Ports for transhipment to Great Britain. The Railway engineers never built up the railway engineering industry in India to manufacture railway appliances. Today in the name of the Round Table Conference and in the name of the self-governing India they want to take away the railways completely from the control of this Legislature, so that the Chief Engineer, as proposed by Brigadier General Hammond, will become the Managing Director and the Chairman of the Board of Directors of a statutory Board and do as he likes. My friend Mr. Ranga Iyer thinks that he cannot dream of Europeans not participating in the railway administration for years and years, so that all orders will go to England. Then what will happen to the stores purchase policy of the department over which my Honourable friend Sir Joseph Bhore presides? What will happen to the powers which the High Commissioner now enjoys? He buys railway materials from Germany, Belgium and other countries at cheap rates now. All these powers will be taken away by the statutory body which will pass all these orders to themselves, *i.e.*, Britain. Mr. Mody focussed attention on two points. This House at this juncture can only condemn these tactics, this subterfuge on the part of the India Office and the Secretary of State and the powers that persuaded the Secretary of State to appoint Brigadier General Hammond to inquire and report. It is by pure accident that we are discussing this subject today. If the Government were anxious to find out the views of the House, why did not my friend the Railway Member bring up a special motion to ascertain the views of this House? In this House the commercial communities are well represented—both the European and Indian mercantile communities. What is the use of referring the subject to the Consultative Committee which is sitting a furlong off from this place. I know that in that Consultative Committee there is not a single Indian financier or an Indian commercial man. Those who bring about these useless committees, whether it is the Consultative Committee or the Federal Finance Committee, exclude from them men who can give authoritative views on such subjects. What was the necessity of appointing such useless Committees? Sir, my Honourable friend, Mr. Ranga Iyer, waxed eloquent about agricultural development, and my friend, the Raja Bahadur, has exploded that theory as to who controls the rates and freights. So it is no use talking of theories or carrying out an academic discussion when our very bread is taken away from our hand, when, in the name of Swaraj, in the name of self-government, in the name of the new constitution, everything that secures the economic rights of the people is being taken away and placed in alien hands,—not for a day, not for 10 or 20 years, but for ever and ever. Well, I would not work such a constitution that produced that unhappy result, but I would say that if Government want our opinion, let the new constitution come, and let them come to this House for our opinion, and then we shall give our opinion as to how we should run our railways.

Mr. D. K. Lahiri Chaudhury: Sir. I was really surprised to see that a great politician like my friend, Mr. Ranga Iyer, has turned to be a great

commercial man and turned the debate to a different line. He spoke highly of commercial efficiency to be put in to the railway administration and strongly opposed political intervention into the day to day administration of railways. Now, Sir, I remember I interrogated him, just to remind him as to what happens in England; and he said that in England there is no State-managed railway. Quite right! What however I meant to say is this, that, in spite of the existence of these Company-managed railways, Parliament has got control over those bodies. That was my contention, and that is what I wanted to point out. My Honourable friend did not deny that, but I found that Mr. Ranga Iyer, when he was concluding his speech, was perfectly justified in supporting this contention at least, and now I come to the policy of the administrations of these railways. Sir, it has been just stated on the floor of the House by different Members in most able speeches that we should not mix up politics with business, especially in commerce and industries. Sir, I perfectly remember my Honourable friend, the Deputy President, on some other occasion when the Reserve Bank Bill came before this House, it was he who supported with great emphasis the utility of a State Bank; and there also, from the commercial sides a voice was raised against politicians mixing up politics with business, but then, Sir, the Honourable the Deputy President, with his usual eloquence, supported the State Bank scheme because he thought there would be some danger in a shareholders' bank. Now, Sir, I think and verily believe that this Assembly requires more and not less power of control, because the Honourable Members are well aware of the fact that the rates and freights policy is conducted in such a manner that no Indian can support it. Sir, it is an open, naked uncontroversial fact that the Railway Board by maintaining the policy of station to station rates are naturally increasing the rates and freights of industries and commerce of this country. Now it is evidently a fact that some of our politicians in this House are nevertheless better experts in the commercial line than many others. If those Honourable Members who, though they are politicians, could have had the opportunity and facility of performing the executive duties of the Railway Board, I am certain that their administration would not have led the whole railway system to such a disaster if I may say so. I thoroughly agree with my Honourable friend Mr. Ranga Iyer when he said that there must be a commercial and industrial expert in the railway executive body, but at the same time I do not find any justification why the legislature should be deprived of any control in that executive body. What I want to say is this. This Assembly ought to have sufficient powers of control over the executive body of the Railway Board; otherwise I maintain that the country will be running the risk of serious loss, as they are already suffering a loss of crores and crores of rupees. What is all that for? I say most emphatically that the administration of the Railway Board is such that they require considerable changes after every seventh year. Does that show the efficiency with which they are conducting their own business? I think the Railway Board have carried out a policy which is not at all good for the country, but is rather ruinous to the country. Now, Sir, it may be said that due to the trade depression there have been so much deficit, but what about the permanent deficit in Railways? Who is going to pay for it, and who is responsible for that? Is not the Railway Board responsible for this permanent deficit? Will the members of the Railway Board pay their huge deficits from their own pocket, I say "No", the whole amount of deficit will have to be met by

[Raja Bahadur G. Krishnamachariar.]

which left the Hyderabad Dominion. Later on, we thought of constructing a line which tapped the most fertile country in our dominions—the Hyderabad Godavari Valley Railway. It tapped the most fertile country, and as I said, the goods traffic went right up to Manmad and from Manmad they had to go by the Great Indian Peninsula in order to reach Bombay. That deprived the Great Indian Peninsula of the long lead that they used to have from Wadi, and they promptly raised the rate between Manmad and Bombay to the same level as it was between Wadi and Bombay. Is that a question of principle or policy? Was that politics, or was that "politically free", or was that political bias? Then, we wanted to divert our traffic into the Mormugoa harbour where the harbour dues were very little. We in a way also wanted to revive one of those provisions in the treaty, of "most favoured nation treatment" for ships which flew the Nizam's flag. Promptly came the Madras and Southern Mahratta Railway which raised the rate to such an extent that it was absolutely impossible to carry the goods beyond Dharwar. Is that politics? Is that commerce? Or whatever it may be! Therefore, Sir, on all these grounds I very respectfully ask this House not to commit itself to anything in advance but to wait, and nothing—I hope so—will be passed without our knowledge and our consent. Then, when you have a concrete proposal before you, riddle it if you like, or make counter proposals if you like, and come to some conclusion. But don't be satisfied, and don't say that you have discharged your duty for the day by taking up the time of this House by laying down ambiguous, and if I may say so respectfully, worthless propositions.

Mr. B. Das: Sir, last year, when my Honourable friend Mr. Neogy let the cat out of the bag on the last day of the Railway Budget debate and exposed the deep conspiracy that the European mercantile community and the Government of India and the British Government hatched behind the Round Table Conference and pointed out a particular passage which had been added behind the backs of my Honourable friends Mr. Mody, Mr. Jadhav and others, Honourable Members on the Treasury Benches put on a face of innocence and said it was a surprise which was sprung on them by Mr. Neogy and that they had never heard about it. But, now, my Honourable friend the Deputy President took us a little further into that deep conspiracy that is being hatched in the name of building up a new constitution for India. They wanted safeguards for the Swaraj of India. And what were they? They wanted safeguards over the defence, the foreign debts that India has incurred, and again, that there should be a reserve bank controlled under parliamentary statute. But one did not know why, after doing all this, they wanted that the railways also should be made into a statutory body, that it should be one of the safeguards—it was the most surprising thing of all. It was also pointed out last year—and Honourable Members who have read the debates will find—that the Anglo-Indian community in the railways wanted that they should be part of the safeguards. I can sympathise with my Honourable friend the gallant Colonel when he supported the idea—not definite, not crystallised, not consolidated—that my Honourable friend Mr. Ranga Iyer advanced. I can understand that. I can quite understand his point of view. He wants safeguards not under an Indian Legislature but under the British Parliament, so that the Anglo-Indian community may be brought in as part of the statutory safeguards. Further my friend Colonel Gidney wanted his community to enjoy the privilege of getting the same number of posts in the railways and other services, such as the Postal Department, for 30 years more. He also wants other special safeguards for education of the Anglo-Indian community and also trial by jury for offenders of that community. Naturally my friend Colonel Gidney will gloat over the idea that the railways will be a statutory body. I want to ask my friend Mr. Ranga Iyer whether the railway administration today is influenced by the politicians of this House. For the last three days this House has been discussing the mismanagement of railways and my friend Mr. Ranga Iyer said that Indian railways have got the best management. Is it best managed with so many crores of deficit? How are the politicians influencing the action of the Railway Board today? My revered friend Raja Bahadur Krishnamachariar has exploded that theory. My friend said that when a member puts a question, the political aspect comes in. Sir, the whole thing is this.

Mr. C. S. Ranga Iyer: I was talking of the future of Indian railways under a self-governing India.

Mr. B. Das: I find that my friend is very optimistic. I also have a similar cut. Otherwise I should not be speaking on this motion. If my friend thinks that he is getting complete self-government and that he is looking 15 months ahead, whether the railways should become a statutory body or not, I think he has been wasting the time of the House. When he got up, I thought he was going to expose the deep conspiracy that has been going on. In 1924, when the separation convention was passed, it was to have been examined after three years.

Sir Alan Parsons: The convention laid down that it would be worth while to have a periodical examination and that it should not occur in any case before three years.

Mr. B. Das: We gave them the power to bring up the railway administration policy as embodied in that convention before this House after three years and they never brought it up. When debates were raised, they said that they had no knowledge that this House wanted to examine the convention. Then after a year a committee was appointed. It was a huge committee of 17 or 19 members. The Committee met once or twice but was never asked to meet again. When questions were asked, we were told that the statutory Commission was coming and constitutional changes were going to take place. It was no use referring to this matter in the convention committee. The Honourable the Railway Member has said that an expert Committee would come next cold weather when it could examine the question of the mismanagement of Indian railways, and on the top of that there is another tall order from my friend the Deputy President and Mr. Mody, "Let us have another Committee to examine the question whether the railways can be under a statutory body". What is the necessity of this? I would have liked my friends to join with us and expose this deep conspiracy which is going on between the Government and the European mercantile community, to take away the control of the railways from the hands of the Indian Legislature. What was the necessity of bringing this subject in slyly into the Federal Structure Committee's Report? Let there be a self-governing India and let it have its own Parliament. Three years hence it can embody a statute to bring the

[Mr. D. K. Lahiri Chaudhury.]

the poor tax-payer. If so, is it not necessary for the Legislature to have control over them? Sir, there may be a thousand committees appointed, but can those committees solve India's problem without the consent of the Indian nation? And who represents the Indian nation in this House? It is the politicians amongst whom there are also commercial people. Now my Honourable friend Mr. Mody—I do not find him here now—is both a politician and a commercial man and he is here to represent not only the political but also the commercial interests of his constituency. Of course a discussion at this juncture no doubt is an important one, but to pass an opinion at this stage is not only misleading but extremely dangerous.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, English politicians are Britishers in their own country and are divided into three big parties—the Conservatives, the Liberals and the Labourites. But in India, as far as I know, they are known only under one category; that is, they are capitalists who supply capital to India and to other countries and in that capacity they generally exploit this country and also other countries. The railway policy up to this time has been worked in the interests of capital only. As for any other interests, they were not very much cared for. It was the solicitude of the Government and of the Railway Board to secure as much revenue as possible from their railways and they did not care very much whether they advanced the interests of agriculture or of commerce. But now they have been caught in a slump, and they find that the policy that they have pursued up to this time has recoiled upon them, and however they may try, whatever rates they may impose, they are getting less and less revenue from the railways.

Now the constitutional question raised by my Honourable friend, Mr. Ranga Iyer, is for the establishment of a statutory body. The question, so far as my knowledge goes, was not discussed at the Round Table Conference, and I expect that it will come before that body in a properly cooked form on some other occasion. (Laughter.) (*Mr. S. C. Mitra*: "In an improperly cooked form.") Whatever that may be, I have to raise my voice in this House for the protection of one big interest which I have the honour to represent. My Honourable friend, Mr. Joshi, has put forth the claim of labour to be represented on that body. I have to put forth the claims of the agricultural community of India. (Hear, hear.) The agricultural community, Sir, is a very important community, as agriculture is the principal occupation or trade in this country. And whatever the merchant may do, and he is no doubt doing very great service to move agricultural produce, he is also an exploitor. He looks to his interests first and the interests of the agriculturist come afterwards. When he is very anxious about the interests of agriculture, his solicitude will be just like the solicitude of the owner of a cow. He feeds the cow simply because that cow gives him milk and therefore the care for the cow is a selfish care. It is very laudable but all the same it is for his own gain. So the solicitude of the merchant generally for the prosperity of the ryot or the agriculturist has got a selfish motive behind it. Therefore, the interests of the agriculturist ought not to be left to the care or the mercy of the trader. Therefore when the trade interests are represented in a statutory body or any body that might be set up, I claim direct representation of the agricultural interests on that body. They are contributors to the revenue of the railways to an extent which has been estimated at

about 40 per cent. The agriculturist is also a great patron of the railways in the form of a third class passenger. Therefore in any future constitution that might be drafted, his interests ought to be properly safeguarded by his own representatives and not by those who pose to be his protectors or his trustees or whatever other name they may choose to go by. These trustees and these protectors will look to their own interests first and may at times be tempted from very high motives to sacrifice the interests of the agriculturist for other interests. Therefore, I claim that whatever body may be set up in future and whatever committees and bodies might be created, the interests of the agriculturist ought to be safeguarded by fair representation from their own community. In this way alone agriculture, the railways and others can protect their own interests and thereby further the cause of this country.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, it is curious how under the Demand of my Learned friend Mr. Ranga Iyer from this side of the House, this debate has taken this extraordinary turn. It is apparent from the way the debate has run that my Honourable friend has more allies on the other side of the House than on this side. My Honourable friend's motion was to cut off Rs. 100 from the Demand of the Railway Board because of its future and its constitutional aspect. Well, Sir, the Railway Board is an expert body at present and if my friend wanted to develop it into a still more expert body, the Railway Board Member should have jumped up from his seat and pressed Mr. Ranga Iyer and said: Yes, he agreed to Rs. 100 cut or even Rs. 200 cut if he be given an expert body. Then I could have expected that Mr. Ranga Iyer would have exchanged his seat for one on the other side. But the difficulty is that Mr. Ranga Iyer hails from this side of the House and when he finished his speech and the way he was cheered for the other side we were wondering whether the debate was initiated from this side or the other side. My suspicions were aroused, Sir, when he was speaking with interruptions from my right and left. My suspicions were amply confirmed when Sir Henry Gidney closely followed him in the debate and gave him his blessing with a caveat here and there because he said (I do not know whether he actually used these words) that Mr. Ranga Iyer is in the habit of performing mental somersaults. He gave certain examples of that. But, Sir, when he gave his blessing to the proposal, I was fully alarmed, and so was my friend Mr. Ranga Iyer, because it is not usual for Sir Henry Gidney to give support to my friend Mr. Ranga Iyer. I had not forgotten the reference which Mr. Ranga Iyer made yesterday about this hour of the day as to the demand which Sir Henry Gidney had put forward about services in commercial departments, and particularly in the railways, for his community. The demand of Sir Henry Gidney was, as was read out to the House yesterday, the fundamental favouritism clause as my friend Mr. Ranga Iyer called it. Sir, on page 78 of the second Round Table Conference Report it is put down in the memorandum submitted by Sir Henry Gidney for incorporation in the new constitution as a fundamental safeguard:

"That the same number of Anglo-Indians and domiciled Europeans per centum of the total number of persons employed in such services are employed on the day on which the new constitution comes into force shall continue for 30 years after the operation of the new constitution subject only to the condition that a sufficient number of Anglo-Indians possessing the requisite qualifications is available."

[Mr. Jagan Nath Aggarwal.]

It comes to this that the number that is already there—and Mr. Hassan's Report tells us that their number is 50 to 70 per cent. in the higher services and the lower services are not worth their taking—shall continue for 30 years, subject only to the condition that the Anglo-Indian youths only take to literacy and to reading and writing. That was one suggestion of Sir Henry Gidney, and my attention was drawn to it by Mr. Ranga Iyer yesterday. To-day I find these two gentlemen have joined together. What is the reason for it? The demand for a statutory body was surreptitiously introduced into the Round Table Conference Report and my friend's suspicions had been aroused. That was one of the safeguards that Sir Henry Gidney wanted for this purpose. My friend Mr. Ranga Iyer somehow walks into the trap of those who are championing the cause of a statutory body. I say we do not want it for one reason that it has been hatched in that out of the way place without even telling the Round Table Conference people. Sir, the Round Table Conference did not represent this House or the people of this country. It was a nominee of the Government and represented the Government. Very well. Then this scheme was not even brought before the Round Table Conference. It was hatched in secret and was surreptitiously introduced into the deliberations of that day. The Deputy President said that the Government of India have been contemplating an inquiry into the matter. This statutory body was neither the child of the Round Table Conference nor of the Government of India. It is an illegitimate child and has been foisted upon us. I do not know whether Mr. Ranga Iyer will be prepared to follow the Round Table Conference. (*A Voice*: "It is the child of the Secretary of State.") No, he is not prepared to take it. One Secretary of State has departed and I do not know whether the new Secretary of State has taken it over. Various objections have been taken as to how this statutory body comes into the show. It comes in this irregular way. The moment you begin framing your constitution and you have the idea of placing responsibility on to the shoulders of the people of this country, people from other countries begin to take the trouble of lightening this burden. An attempt is made that railways, other commercial bodies and Posts and Telegraphs must be so arranged that a statutory body free from the control of the Legislature and of the politicians shall work it. Banks and banking shall be with the Reserve Bank, various other things shall go to the provinces or other places and this Legislative body which will deal with federal subjects shall be a body which will have nothing to do. Members will travel to Delhi, come and sit for 15 minutes in the Chamber and then disperse for want of a quorum or of a subject to discuss. If that is the way of having this statutory body or this new constitution, then I say that we would very much like to be without it. We will go on merrily with the present statutory body in our own way with just pinpricks occasionally from this side.

Now, Sir, the question is what is the fundamental objection to the creation of a statutory body for the management of railways? Let us examine the history of these railways, whether there is anything in the origin of these railways to justify the demand for a statutory body. Railways, I submit, are not a separate water tight concern as has been pointed out by previous speakers. Let me inform the House that these railways were started at huge expenditure to the Indian tax-payer in the early fifties. I have not got the figures for all the years up to 1900, but just looking up the figures, I find that under the guaranteed system from the

years 1849 to 1858, over two million pounds had been paid out of the Indian exchequer as guaranteed interest to the companies. This state of affairs continued right up to the year 1900, barring the year 1877-78 when there was no loss on the Indian railways. However, from that time for over 50 years, we went on paying out of the revenues of India guaranteed interest to the companies. If the revenues of India were practically mortgaged for over half a century for the payment of interest on these guaranteed loans for the development of railways, with what face can any person, Mr. Ranga Iyer from this side or any other person from any other side, come forward and say now, that these railways are expected to become paying concerns, to the Indian people whom we represent in this House. "Now, gentlemen, now that you are going to have some power, you are going to be allowed to manage your own affairs, this costly business for which you are liable to the extent of 750 crores or so should be handed over to a body of experts". This is part of that much used formula "safeguards". If my Honourable friend had accepted the safeguards, such as he referred to yesterday, namely, thirty years of continued service for Anglo-Indians, and if my Honourable friend Mr. Ranga Iyer had said, "Yes, this handing over of the railways is also part of the safeguards", then I could have understood him. What right has anybody to tell us that this huge figure of 750 crores is to be borne by the Indian tax-payers, but the whole concern, *i.e.*, Railways, is to be presented to a statutory body, and they may do whatever they like with the same and how they manage it is not our concern? The liability for the payment of that huge sum of 750 crores is to be laid on the shoulders of the Indian people. After having paid such a huge amount, the Indian tax-payer is to have no voice or a very meagre voice in the administration of the railways. It is a part of that funny proposition that the burden of that huge bill is to be on Indian shoulders, but the management of it is to be in the hands of a body to be appointed by some outside authority. This is as I said on a par with "safeguards". In this connection, I am reminded of a recommendation cautiously let fall by Lord Peel at a subcommittee of the Round Table Conference and this is found at page 86 of the second Round Table Conference Report. The vision is very alarming and I beg your leave to read to the House a few lines from that recommendation headed, "Commercial Departments":

> "Some of us are of the opinion that the railways and possibly other departments, such as the Posts and Telegraphs, should be conducted on such a basis as to secure a more complete separation from federal revenues than is at present the case and that after paying interest and other charges at present incurred by the Government of India in respect of reduction of railway debt, they should keep their own profits and should work on a basis which in the long run would yield neither profit nor loss."

Sir, it is a curious irony of fate that for half a century we should have paid the loss, and when the time comes to have a profit, you are suddenly asked to hold up your hands and ordered that you shall not have any interest in the profits in future. What is this curious argument? He goes on:

> "From our standpoint it is to be noticed that such a plan would involve an important change in the basis of the security for the existing debt but the proposal is closely connected with that made at the last session of the Conference that a statutory body should be established."

[Mr. Jagan Nath Aggarwal.]

and he said, "Oh, Yes. I thought the old women had ceased to function. We do all these things so well elsewhere that we thought it was no good for the people here and that they had discarded it during the past so many years." Therefore this expert body of which so much has been made, and the danger that politicians will introduce trouble into the constitution, are things based upon a lurking suspicion that comes into the show unnecessarily. They are not based upon any experience at all because no popular Government in this country had any chance of bungling or mismanaging a railway. At present they have been managed by experts, and it is just as well to give the other party a chance to see whether they bungle it or manage it well. From their professions and the way they have criticised the administration of the present experts, I can take it that it will be long before they themselves make as bad mistakes as the bodies whom they accuse now. I therefore submit that there is no justification for pledging in advance the opinion of this House to the creation of any statutory or other outside body for the management of the railways.

The Assembly then adjourned till Eleven of the Clock on Friday, the 4th March, 1932.

LEGISLATIVE ASSEMBLY.

Friday, 4th March, 1932.

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

QUESTIONS AND ANSWERS.

FUTURE ACTION IN REGARD TO THE ORDINANCES.

609. ***Sir Hari Singh Gour:** (*a*) Is it a fact, as suggested in the Sunday issue of newspapers, that Government propose to place before the Legislative Assembly all or any of the Ordinances issued against the civil disobedience movement? If so, when and in what form?

(*b*) Is it a fact that Government intend to refer the said Ordinances to a Select Committee in a special session of the House to be convened in June or thereabouts?

(*c*) Will Government be pleased to make a complete statement on the subject as early as possible?

The Honourable Sir James Crerar: (*a*), (*b*) and (*c*). The questions raised by the Honourable Member have not reached a stage at which it is practicable to reach a decision, for, as he will no doubt realise, it is not possible for Government to arrive at any conclusion, so far in advance, as to what measures, if any, will be necessary to meet the civil disobedience movement.

EXPORT OF GOLD FROM INDIA.

610. ***Sir Hari Singh Gour:** (*a*) Will Government be pleased to state whether they have any intention of checking the export of gold from this country?

(*b*) Is it a fact that South Africa, which is a gold-producing country, has placed an embargo upon the export of gold? Will Government please state whether they are aware that gold is exported to England from any part of the British Empire other than India? If so, in what quantity?

(*c*) Are Government prepared to give facilities to the members of this House to discuss the policy underlying the free export of gold from India? If so, when?

The Honourable Sir George Schuster: (*a*) Not at present.

(*b*) There are no restrictions on the export of gold from South Africa. Statistics of the weekly imports of gold into Great Britain are published in the London "Economist", from which the Honourable Member will be able to collect such figures as he requires. The latest statistics show that imports from South Africa average well over £1 million per week

[Mr. Jagan Nath Aggarwal.]

How it was carried, a Member of the Round Table Conference and perhaps others also have told us, that is that nobody discussed it. The Report further goes on:

"It thus raises very important constitutional issues which are beyond the provin of this Sub-Committee and must be fully examined elsewhere."

Where they are to be fully examined, it is not for me to say. At any rate, they have not been examined by any authoritative body or committee.

Mr. B. V. Jadhav: Brigadier General Hammond examined it.

Mr. Jagan Nath Aggarwal: Beyond the Report of that gentleman, we know of nobody, of no other authority having examined it. As I was saying, it was surreptitiously brought into the discussion and made the subject of controversy without any rhyme or reason. Looking to the history of the recent management of Railways, I would submit that this proposal runs counter to the whole trend of Indian public opinion. The management of railways entrusted to companies was objected to in the past for the simple reason that all profits that are accruing from these concerns are the concern of the nation and they should go to the national exchequer and that no private company or undertaking should have the right to pocket these profits. Acting on that policy and further on the principle that such a large number of people are engaged in these companies, a great many people get a living out of these companies, acting on those principles, no public utility concern like the railways should be handed over to any statutory body uncontrolled by the people and their representatives, and these concerns should be managed only in such a manner as is approved by the House. That is the reason why, after having all these railways, practically every railway whose contract fell due during the last few years has been taken over by the State, they have all come under State management. The Company-managed railways had experts while the railways were under their control, but yet we took them over on questions of fundamental principles, and after doing that, what justification is there for reverting to the old practice of handing the railways over to a statutory body without any popular control? Persons like my Honourable friend Sir Henry Gidney can very well and very logically say, "I dislike the whole lot of State-managed railways; I want all these lines to be in the hands of Company-management". From a logical point of view, that is a way of looking at it. But you want to hand over the railways to a still more powerful statutory body to enable them to operate the railways to serve certain interests only. It is good from the point of view of my friend Sir Henry Gidney, but what right has my Honourable friend Mr. Ranga Iyer to come forward with a proposal of that kind and to say that this thing should be perpetuated.

Mr. C. S. Ranga Iyer: I never said this thing should be perpetuated. The Honourable Member is simply concocting and attributing motives to me.

Mr. Jagan Nath Aggarwal: I had absolutely no intention of attributing motives. I say it was logical for Sir Henry Gidney to have said that all the railways should be handed over to a statutory body, but it is not logical for my Honourable friend Mr. Ranga Iyer, who has been a Member

of this Assembly for several years past, and who doubtless must have taken part in several of these Resolutions which were passed in the Assembly recommending to the Government to take over all the Company-managed railways.

Lieut.-Colonel Sir Henry Gidney: On a point of personal explanation. I made no demand that all railways should be controlled by Companies. I simply said I dated railway financial decadence from the time railways were transferred from Company to State control.

Mr. C. S. Ranga Iyer: The Honourable Member has been repeatedly arguing that I am a supporter of some so-called "statutory Railway Board". I have never used that expression, but I have confined my speech to my token cut, namely, "The future of the Railway Board and the constitutional aspect". I hope he will not also accuse me of being a strange bedfellow with Sir Henry Gidney. I entirely repudiate that.

Mr. Jagan Nath Aggarwal: I was waiting for the correction, and I am glad Mr. Ranga Iyer is not in the same bed with Sir Henry Gidney. Sir, if what I said has led to the correction being made by my Honourable friend Mr. Ranga Iyer, I am not sorry.

Now, I was saying that the whole policy underlying the creation of an outside authority for the management of railways runs counter to the policy pursued by the House and by Indian opinion. The justification for their handing over the railways to a statutory Body is, "These politicians will blunder, will make a mess of the railways and will do all sorts of things with regard to the railways". If this is their justification, all I can say is this is the old formula of the expert always being called into the show. If the expert is such a good person, why are we talking of the establishment of popular institutions, these democracies and so on? All these are bound to invade various departments. Will you not make a mess of the Foreign Department, will you not make a mess of the Army Department, the Industries and Labour Department? Will you not make a mess of every department of government? Why are you having politicians and non-experts in these things? If the railways are a big concern and therefore should be put under expert hands, I can see the next department to come will be the Posts and Telegraphs, and very soon all departments will have to be reserved and you may remain with no department at all!! It is folly to pretend that the expert is the only person who can run a Government department. If the experts' claim were to be admitted, the British Parliament would be the first thing to be scrapped, for the simple reason that it is not a body of experts: it is a body of the representatives of the people who have a right to make mistakes and to run their country in the best way that they can. Times of emergency arise, and then these experts are taken in: they are not manufactured in Great Britain. It is not an official ridden people, but experts are manufactured in Germany and elsewhere: they have trained officials; but they say "When the time comes we struggle through somehow: we will manage during emergencies". It is best to make your laws and to have them administered by experts and to get on according to the will of the people. That is the way that Government are running their own concerns elsewhere; and it reminds one of a person who, having been long in this country, returned after thirty years to London, looked at the Palace of Westminster and inquired what it was. Somebody told him that it was the Houses of Parliament,

and that imports from other parts of the British Empire *e.g.*, Australia, New Zealand, Straits Settlements, British West Africa and British East Africa are considerable.

(*c*) I shall deal with the subject in my Budget speech and Honourable Members will have an opportunity of discussing Government's policy during the general discussion on the Budget.

RISE IN RUPEE SECURITIES.

611. ***Sir Hari Singh Gour:** (*a*) Is it a fact that there has been a sudden rise in the value of rupee securities within the last few days? Are Government aware of the fact, as stated in the *Statesman*, Weekly Review, page 27, of the 21st February, 1932, column 4, that the present rise in the value of rupee securities was essentially due to the feeling that the Act (Income-tax Act) would be amended?

(*b*) If so, will Government make a clear statement on the subject?

The Honourable Sir George Schuster: From an examination of the course of the prices of Government securities no sort of connection can be traced between the rise in prices and the Income-tax Amendment Bill. Prices rose steadily from the middle of January until the 15th February the date on which this House declined to refer the Bill to a Select Committee. On the 16th February the price of 3½ per cent. paper in Bombay rose from Rs. 56-6 to Rs. 57-14 and thereafter continued to rise, the latest quotation being 63-6. Other Government securities have appreciated steadily since the middle of January.

APPOINTMENTS IN THE OFFICE OF THE COMMISSIONER OF INCOME-TAX, CALCUTTA.

612. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Will the Honourable the Finance Member please state:

(*a*) how many appointments have been made by the Commissioner of Income-tax, Calcutta, as Assessors and Examiners of Accounts in connection with the recent income-tax measures adopted by the Government of India and what their qualifications are;

(*b*) whether it is a fact that ordinary graduates, both B. As. and M. As., have been appointed as Examiners of Accounts and Assessors to the exclusion of candidates who possess a Government diploma in accountancy and certificate of Divisional Accountant; if so, why;

(*c*) whether it is a fact that B.As. and M.As. in Persian have been appointed as Examiners of Accounts and Assessors to the exclusion of candidates with B.Sc. and M.Sc. degrees with certificate of accountancy as G. D. A. and Divisional Accountants, if so, why and how many and what are their names and whether and how they are related to the Income-tax Officers and Assistant Commissioners;

(*d*) how many clerks there are in the Head Office of the Income-tax Commissioner and the offices of the Assistant Income-tax Commissioners in Calcutta and how many of them are Muslims;

(*e*) whether it is a fact that the distribution of the clerks in these three offices is not made in accordance with the circular reserving 33 per cent. posts for Muslims; and

(*f*) what the percentage of Muslim clerks in the Income-tax Offices under the control of the Commissioner of Income-tax, Calcutta, is?

The Honourable Sir George Schuster: The information is being obtained and will be laid on the table in due course.

VOLUNTEERS FOR RETIREMENT IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

613. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Will Government be pleased to state:

(*a*) how many applications volunteering for retirement from service were received from the clerks, assistants, head clerks and Superintendents in the office of the Director General of Posts and Telegraphs; and

(*b*) how many volunteers referred to at part (*a*) above have since been permitted to retire and what action Government intend to take in the case of remaining volunteers, if any?

The Honourable Sir Joseph Bhore: (*a*) and (*b*). 35 such applications have been received, of these 20 have been accepted and the remainder are under consideration.

ABOLITION OF THE POSTS OF SUPERINTENDENTS OF WIRELESS AND CASH BRANCHES OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

614. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (*a*) Is it a fact that the Director General of Posts and Telegraphs passed final orders during the last Simla season 1931 to give full effect to certain points of the Coburn Committee's Report?

(*b*) If the reply to part (*a*) above be in the affirmative, will Government be pleased to state if that order of the Director General has been given effect to from the date, if any, mentioned in the said order; if not, why not?

(*c*) If the reply to part (*a*) above be in the negative, will Government be pleased to state the reasons for abolishing the posts of the Superintendents of the Wireless and Cash Branches?

The Honourable Sir Joseph Bhore: (*a*) Yes, certain orders were passed by the Director General on the acceptance generally by the Government of the Committee's recommendations.

(*b*) No definite date was mentioned in the order, the latter part does not arise.

(*c*) It was considered that the work could be arranged so as to render these Superintendents unnecessary in the conditions then prevailing.

APPOINTMENT OF SUPERINTENDENT, WIRELESS BRANCH, OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

615. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (*a*) What are the reasons for abolishing the post of Superintendent, Wireless Branch, and again after a very short period sanctioning the same in the office of the Director General, Posts and Telegraphs?

(*b*) Is it a fact that the result of the action referred to at (*a*) above was to get rid of the former Superintendent of the Wireless Branch, who had experience of over 20 years in the disposal of cases of wireless technicalities and to provide for the Superintendent, Cash Branch, in the Wireless Branch who has had no previous experience in wireless or telegraph technical matters?

The Honourable Sir Joseph Bhore: (*a*) As to abolition, the Honourable Member is referred to the reply just given to his previous question; as to restoration, subsequently as a measure of retrenchment it was decided that the services of one of the superior officers in the Wireless Branch should be also utilised in the Traffic Branch and this change necessitated the restoration of the post of Superintendent in the Wireless Branch.

(*b*) The abolition of a post does not necessarily involve the retirement of the particular officer who may be holding it, but in this case the Superintendent of the Wireless Branch applied for permission to retire from the 18th July, 1931 and his application was accepted. On restoration of the post it was filled by an official who had held charge of the Cash Branch, and who was considered as generally most suitable. No technical experience is required of the Superintendent of the Wireless Branch.

EXEMPTION OF CERTAIN CLERKS FROM THE 10 PER CENT. CUT IN PAY.

616. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Will Government be pleased to state if the clerks and peons, etc., in the office of the Director General, Posts and Telegraphs, who were deprived of the Calcutta-Delhi transfer concessions and not yet compensated by promotions or otherwise, have been exempted from the operation of 10 per cent. cut in their pay; if not, why not?

The Honourable Sir Joseph Bhore: The Honourable Member's attention is invited to part (*b*) of the reply given to Maulvi Muhammad Yakub's starred question No. 135 in this House on the 4th September, 1929, in which it was explained that the staff referred to were not entitled to any compensation. The question of exempting them from the emergency cut in pay does not therefore arise.

EXEMPTION OF CERTAIN CLERKS FROM THE 10 PER CENT. CUT IN PAY.

617. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Will Government be pleased to state if the employees of the Imperial Secretariat and its Attached Offices, who are in receipt of pay up to Rs. 40 per mensem have been exempted from the operation of the 10 per cent. cut in their pay; if so, why such employees of the office of the Director General, Posts and Telegraphs, have not been exempted from the 10 per cent. cut in their pay and why they are differentially treated in this respect? Has not the office of the Director General, Posts and Telegraphs, been declared to be an attached office?

The Honourable Sir Joseph Bhore: Yes, except in the cases of employees of the Railway Department (Railway Board) and of the Director-General, Posts and Telegraphs. It was considered that the employees in these offices should not be treated differently to employees on railways and in the Posts and Telegraphs.

The reply to the last part is in the affirmative.

DENIAL OF CALCUTTA-DELHI TRANSFER CONCESSIONS TO CERTAIN CLERKS AND PEONS OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

618. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Will Government be pleased to refer to the 'cut motion' moved by Mr. M. Maswood Ahmad on the 13th March, 1931, in connection with the denial of Calcutta-Delhi transfer concessions to certain clerks and peons of the office of the Director-General, Posts and Telegraphs, and state if the matter has been favourably considered and the affected men have been suitably compensated; if not, why not, and when their grievances are likely to be redressed?

The Honourable Sir Joseph Bhore: The Honourable Member's attention is invited to the reply given to his starred question No. 953 in this House on the 16th March, 1931. The staff in question have no reasonable claim to compensation.

MEMORIALS FROM ENGINEERING SUPERVISORS, TELEGRAPHS.

619. ***Mr. K. P. Thampan:** (*a*) Will Government be pleased to state whether they received memorials from certain Engineering Supervisors, Telegraphs, in August last and they were all rejected?

(*b*) Is it a fact that the Engineering Supervisors who submitted the above memorials were given only one chance while others had none at all for qualifying for promotion to the Deputy Assistant Engineers, Telegraphs; if so, what were the grounds on which Government declined to give these men two more chances for qualifying for promotions to the higher grade?

(*c*) Have the Government of India issued any orders that promotions to the next higher grade in the Posts and Telegraphs Department should be regulated by allowing the staff only one chance of appearing in the departmental examinations? If not, why were the Engineering Supervisors who submitted the memorials not allowed an opportunity of appearing for departmental examinations for promotions to the Deputy Assistant Engineers grade? Do Government propose to remove these hardships; if not, why not?

(*d*) Is it a fact that prior to 1927 there were two different methods of recruitment to the cadre of Engineering Supervisors in the Posts and Telegraphs Department? If so, what were the two different methods and why were these methods replaced in 1927? How is seniority for promotions to the higher grades fixed from these two different modes of appointment?

MUSLIM REPRESENTATION IN THE NORTH WESTERN RAILWAY MEDICAL DEPARTMENT.

624. ***Mr. M. Maswood Ahmad** (on behalf of Shaikh Sadiq Hasan): (*a*) Will Government please state whether the Assistant Surgeons, Sub-Assistant Surgeons and clerks were given more than the minimum pay of their grade, on their appointment in the Medical Department of the North Western Railway?

(*b*) If so, what were the reasons?

(*c*) What is the number of Muslims and non-Muslims so appointed in each cadre?

Sir Alan Parsons: (*a*) and (*b*). The matter is one within the discretion of the Agent, North Western Railway, and Government do not propose to make an inquiry.

(*c*) I would refer the Honourable Member to my reply to his previous question No. 623.

MUSLIM REPRESENTATION IN THE NORTH-WESTERN RAILWAY MEDICAL DEPARTMENT.

625. ***Mr. M. Maswood Ahmad** (on behalf of Shaikh Sadiq Hasan): (*a*) Are Government aware that articles in the public Press have been appearing from time to time regarding the paucity of Muslims on the North Western Railway Medical Department?

(*b*) If so, what action has been taken by the Railway authorities in this connection?

Sir Alan Parsons: (*a*) No.

(*b*) Does not arise.

MISUSE OF PASSES ON THE NORTH WESTERN RAILWAY.

626. ***Mr. M. Maswood Ahmad** (on behalf of Shaikh Sadiq Hasan): (*a*) Will the Honourable Member for Railways please state the procedure adopted in the case of misuse of railway passes on the North Western Railway?

(*b*) Are there any instances in which certain employees of the Railway were dismissed for the misuse of passes?

(*c*) Is it a fact that the Office Superintendent, Railway Medical Department, was charged with a similar offence?

(*d*) If so, what action was taken against him?

Sir Alan Parsons: (*a*) I am placing on the table an extract of paragraph 143 of the North Western Railway Pass Rules which details the penalties for misusing passes.

(*b*) to (*d*). Government have no information as the matter is one within the discretion of the Agent of the North Western Railway.

EXTRACT PARAGRAPH 143 OF THE NORTH WESTERN RAILWAY PASS RULES.

143. Penalties for misusing passes and privilege tickets.

Nature of irregularity or offence committed by railway employees.	Penalties.
(1) Travelling without a pass or ticket	(*a*) To be fined one week's pay for the first offence. (*b*) To be fined one month's pay for the second offence. (*c*) To be summarily dismissed from the service for the third offence. In addition to the above recovery of full fares and usual penalties as recovered from the public are to be enforced. NOTE.—In the case of travelling on an unendorsed pass, the full fare and penalty only should be inflicted and not (*a*), (*b*) and (*c*).
(2) Travelling in a higher class than that authorized by the pass or privilege ticket held.	(*a*) *First offence.*—Recovery of full fares and the usual penalties as recovered from the public *plus* stoppage of the privilege of passes for six months over the home line and for one year over foreign lines. (*b*) *Second offence.*—Recovery as above *plus* stoppage of the privilege of passes for one year over the home and foreign lines. (*c*) *Third offence.*—Summary dismissal.
(3) Travelling on a date on which the pass or privilege ticket is not available, *i.e.*, before or after its available dates.	(*a*) *First offence.*—Recovery of full fares and penalty for the entire journey. (*b*) *Second offence.*—Recovery of full fares and penalty for the entire journey with stoppage of the privilege of passes for six months over the home line and for one year over foreign lines. (*c*) *Third offence.*—Recovery of full fares and penalty for the entire journey with stoppage of the privilege of passes for one year over the home and foreign lines.
(4) Travelling by a train for which the pass or privilege ticket is not available, such as mails, etc.	The same penalties as for travelling before or after the available dates.
(5) Using a pass for persons not included in it.	The same penalties as for travelling without a free pass or ticket.
(6) Travelling *via* wrong routes or by a route other than the one specified on the pass.	Difference in fare and penalty for the portion not covered by the pass with stoppage of the privilege of passes for six months over the home line and for one year over foreign lines.
(7) Over-riding on a pass or a privilege ticket.	Fare and penalty for the portion beyond the limit of the pass with stoppage of privilege of passes for six months over the home line and for one year over foreign lines.

The Honourable Sir Joseph Bhore: (*a*) Yes, except that the memorials were received before August.

(*b*), (*c*) and (*d*). The points raised by the Honourable Member are under examination and the reply will be placed on the table of the House in due course.

NON-ISSUE OF ARMS LICENCES IN MALABAR.

620. ***Mr. K. P. Thampan:** (*a*) Will Government be pleased to state whether it is a fact that in issuing licences for arms in form XVI for protection and sport the licensing authorities exclude the district of Malabar from their validity and application, if so, why?

(*b*) Is there any other district or province in India which is so excluded?

(*c*) Do Government propose to discontinue this exclusion?

The Honourable Sir James Crerar: (*a*) and (*b*). Every all-India arms licence in form XVI is granted subject to such restrictions as may be imposed by a Local Government in respect of its own territory. I have not a copy of the orders issued by the Government of Madras, but I understand that a licensee who visits Malabar district has to get his licence endorsed by the District Magistrate of Malabar. This is not an unusual requirement, for I understand for example that the Local Governments of Assam and Central Provinces require a similar endorsement when licensees from other provinces visit any districts in these two provinces.

(*c*) This is a matter for the Local Government, who have the power under rule 33(3) of the arms rules to impose or remove restrictions in regard to their own province. I will however send a copy of the question and this reply to the Local Government.

MUSLIM REPRESENTATION IN THE NORTH WESTERN RAILWAY MEDICAL DEPARTMENT.

621. ***Mr. M. Maswood Ahmad** (on behalf of Shaikh Sadiq Hasan): (*a*) Will Government please state the date when the reorganization of the North Western Railway Medical Department was started?

(*b*) Were there any instructions by the Railway Board regarding safeguarding of Muslim representation on the North Western Railway?

(*c*) If so; when were such instructions issued?

(*d*) Were they followed by the North Western Railway Medical Department?

(*e*) If not, are Government prepared to take necessary action in this respect now?

Sir Alan Parsons: (*a*) 1st October, 1927.

(*b*) and (*c*). So far the instructions issued in respect of the redress of communal inequalities in recruitment have been of a general character and no specific provision has been made reserving any proportion of the vacancies for Muslims.

(*d*) Government have no information.

(*e*) The question will be considered in connection with the recommendations of Mr. Hassan.

MUSLIM REPRESENTATION IN THE NORTH WESTERN RAILWAY MEDICAL DEPARTMENT.

622. ***Mr. M. Maswood Ahmad** (on behalf of Shaikh Sadiq Hasan): (*a*) Will Government please state the total number of (1) Assistant Surgeons, (2) Sub-Assistant Surgeons, (3) Clerks and (4) Dispensers in the North Western Railway Medical Department, at its start and at present?

(*b*) Will Government please state the total number of Muslims in each cadre, both at start and at present?

Sir Alan Parsons: (*a*) and (*b*). I would refer the Honourable Member to the reply to his question No. 188 on the 10th February, 1932, which gives the available information.

Mr. Lalchand Navalrai: Will the Honourable Member please say what is the system of recruitment of medical officers for the railways, whether they recruit men from the civil medical side as before or they are also recruited direct or both systems are followed?

Sir Alan Parsons: I understand that they are selected on the recommendation of the Public Service Commission.

Mr. Lalchand Navalrai: Is it a fact that those who appear before the Public Service Commission are men drawn from the civil medical side?

Sir Alan Parsons: I understand their procedure is to advertise and consider the applications which they receive.

Mr. Lalchand Navalrai: Is the Honourable Member aware that the former system was that people from the civil medical side were recruited by the railways, and subsequently after the creation of a separate medical directorate for the railways they recruit men direct. Now what I want to know is whether the former system is also in vogue or not. If the Honourable Member is not prepared to give me a reply, I shall give notice of it.

Sir Alan Parsons: I am not entirely aware what the former system was or what are the exact arrangements existing now. So, I think the Honourable Member had better give notice of his question.

MUSLIM REPRESENTATION IN THE NORTH WESTERN RAILWAY MEDICAL DEPARTMENT.

623. ***Mr. M. Maswood Ahmad** (on behalf of Shaikh Sadiq Hasan): (*a*) Will Government please state the total number of clerks engaged since 1st April, 1930, on the North Western Railway Medical Department and of them the number of Muslims and non-Muslims?

(*b*) How many clerks have been (i) discharged (ii) subjected to stoppage of promotions and (iii) superseded, since 1st April, 1930, giving the number of Muslims and non-Muslims in each cadre?

Sir Alan Parsons: Government regret their inability to supply figures relating to the communal composition of, or to the discharges, promotion, etc., made in, individual departments or offices.

Nature of irregularity or offence committed by railway employees.	Penalties.
(8) Including on a pass as servants, persons other than *bona fide* servants of the employee.	The same penalties as for travelling without a pass or ticket.
(9) Transferring a pass or privilege ticket to an unauthorized person, or in any way fraudulently using a pass or a privilege ticket not covered by the above categories.	All such cases should be reported to the Agent who will inflict suitable punishment according to the nature of the crime committed. In addition, the prosecution of the culprit will be ordered, if desired. Punishments of dismissal awarded in such cases will be notified in the *Weekly Gazette* for the information of the staff.

NOTE 1.—Railway officials will be held responsible for the misuse or abuse of privilege passes or tickets issued to the members of their own families.

NOTE 2.—Remission of penalties in all the above-noted cases will remain with the Agent alone, in deserving cases under special circumstances.

NOTE 3.—Illiterate railway employees have been found travelling on passes before or after the dates for which the passes were made available, Officers and subordinates under whom such men are employed should make it clear to them that it is their business to ascertain the date for which their pass is available, and that illiteracy or ignorance of the date will not be accepted as an excuse for the misuse of a pass.

NOTE 4.—When an employee is travelling on duty, disciplinary action should be taken by the officer under whom he is working, in place of the penalties laid down in cases Nos. (1), (3), (4), (6) and (7) only, the other penalties apply to both privilege and duty passes.

LOCAL PURCHASES BY THE NORTH WESTERN RAILWAY MEDICAL DEPARTMENT.

627. ***Mr. M. Maswood Ahmad** (on behalf of Shaikh Sadiq Hasan): (*a*) Will Government please state the total local purchases of the North Western Railway Medical Department during the last three years conducted by the Department itself?

(*b*) What was the value of the largest consignment purchased by the North Western Railway Medical Department without referring to the Controller of Stores?

(*c*) Is it a fact that the Controller of Stores, North Western Railway gave orders to the North Western Railway Medical Branch that all purchases exceeding Rs. 500 worth should be referred to him?

(*d*) Was this order carried out by the North Western Railway Medical Department both in action and spirit? If not, what were their reasons?

Sir Alan Parsons: (*a*) In my reply to the Honourable Member's next question I give the figures of local purchases of accident relief medical equipment during the last three years, which alone are available.

(*b*) Rs. 495.

(*c*) No.

(*d*) The rule requires the Chief Medical and Health Officer to obtain the Agent's sanction for individual purchases in excess of Rs. 500. The rule has been observed.

Mr. Lalchand Navalrai: Will the Honourable Member, in order to avoid delay on this question about the system of recruitment to the railway medical service, make enquiries and place the reply on the table of the House?

Sir Alan Parsons: In regard to this particular question, I have given all the information which is available; it relates, of course, to the purchase of stores.

Mr. Lalchand Navalrai: But on the other question which also arose out of this,—instead of delaying the matter will the Honourable Member make enquiries and place the result on the table?

Sir Alan Parsons: To what question is the Honourable Member referring? I am dealing at present moment with the question of purchase of medical equipment on the North Western Railway.

Mr. Lalchand Navalrai: I am referring to the question in which the Honourable Member was unable to give me a reply, that is in regard to the system of recruitment to the medical service in the railways.

The Honourable Sir George Rainy: On a point of order, Sir. Is an Honourable Member entitled on one question to put supplementary questions on a question which has already been answered?

Mr. Lalchand Navalrai: This question is connected with the Medical Department matter and therefore I asked.

Mr. President: Next question please.

PURCHASE OF EMERGENCY EQUIPMENT BY THE NORTH-WESTERN RAILWAY MEDICAL DEPARTMENT.

628. ***Mr. M. Maswood Ahmad** (on behalf of Shaikh Sadiq Hasan): (*a*) Will the Honourable Member for Railways please state the total amount spent in the purchase of accident emergency equipment on the North Western Railway Medical Department?

(*b*) What procedure was adopted in its purchase?

(*c*) Was the usual procedure of calling tenders observed in this case?

(*d*) Was it referred to the Controller of Stores? If not, why not?

(*e*) Is it a fact that the purchase was conducted piece-meal? If so, why?

(*f*) Will Government please state the number of contractors, giving the number of Muslims and non-Muslims, engaged to execute these orders?

(*g*) Will Government please state all the dates on which this consignment was purchased?

Sir Alan Parsons: (*a*) I lay on the table a statement giving the information required.

(*b*) and (*c*). Tenders were not called for, where direct purchases were made by the Chief Medical and Health Officer. Much of the equipment

which he was purchasing was being specially designed and made under his directions, as standard patterns were being developed.

(*d*) Any purchase in excess of Rs. 500 by the Chief Medical and Health Officer was referred to the Agent for sanction.

(*e*) Separate orders were placed for the equipment required for each station in consultation with the Controller of Stores.

(*f*) There were eight contractors who supplied equipment. Government have no knowledge of the communal composition of the firms who received the orders.

(*g*) I do not know to what consignment the Honourable Member refers.

Statement showing the approximate expenditure on Accident Relief Medical Equipment on the North Western Railway in the years 1928-29 to 1930-31.

Year.	Items obtained from			Total.
	Railway Stores and Government Medical Stores.	St. John Ambulance Stores.	Local Purchase.	
	Rs.	Rs.	Rs.	Rs.
1928-29	17,782	36	870	18,688
1929-30	18,550	12,800	22,650	54,000
1930-31	45,200	10,870	10,430	66,500

EMPLOYMENT IN NON-SIGNALLING POSTS OF TELEGRAPHIST POSTAL CLERKS.

629. ***Mr. Lalchand Navalrai** (on behalf of Bhai Parma Nand): (*a*) Is it a fact that Government have to incur extra expenditure in getting a postal clerk trained in telegraph work?

(*b*) Is it a fact that it is the intention of Government that telegraphist postal clerks be employed exclusively in such offices as perform telegraph work?

(*c*) Is it a fact that the Postmaster-General, Punjab and North-West Frontier Circle, Lahore, issued orders in his letter No. Staff B./A. T.-150, dated 1st/2nd July, 1930, to the effect that a combined hand (telegraph-knowing clerk) should not be employed in a Divisional Superintendent's office?

(*d*) Will Government be pleased to state the circumstances in which certain combined hands are posted on non-signalling appointments, *e.g.*, in Ambala H. O. proper and the office of the Superintendent of Post Offices, Ambala Division?

(*e*) Do Government propose to take necessary action against the officers responsible for disregarding the order of the Postmaster-General, Lahore, referred to in part (*c*) above?

(*f*) If so, are Government prepared to order at once the transfer of combined hands from non-signalling duties?

The Honourable Sir Joseph Bhore: (*a*) Yes.

(*b*) No.

(*c*) to (*e*). Government have no information. The matter is within the competence of the Postmaster-General, Punjab and North Western Frontier, to whom a copy of the question is being sent.

(*f*) Does not arise.

Mr. Lalchand Navalrai: Will the Honourable Member be pleased to place on the table the reply that he gets from the officer to whom the question is being sent?

The Honourable Sir Joseph Bhore: I do not expect a reply. I merely propose to send a copy of this question so that he can take such action as he may deem fit upon it.

Mr. Lalchand Navalrai: When the Honourable Member has got no information and the matter he is sending out is one in which he has at least the power of supervision, why should not the information be obtained and placed on the table of the House for the use of Honourable Members?

The Honourable Sir Joseph Bhore: Because in matters of minor administrative detail I do not propose to interfere with the discretion of the Postmaster-General.

Mr. Lalchand Navalrai: I did not refer to interference in his discretion. The question is one of giving information to Honourable Members, and that does not necessitate any interference with the officer concerned. Honourable Members want only information on the point.

The Honourable Sir Joseph Bhore: I am afraid I have got nothing further to add to what I have already said.

Mr. Lalchand Navalrai: Perhaps the Honourable Member is not prepared to do his duty. (Laughter.)

Mr. President: Order, order.

APPOINTMENT OF APPRENTICES OF THE LILLOOAH RAILWAY WORKSHOPS.

630. ***Mr. Bhuput Sing:** (*a*) Will the Government please state whether in respect of the Indian apprentices who completed their training in 1930, they have acted in accordance with the procedure laid down in the reply to the starred question No. 472 (*a*) and (*b*) of the 5th March, 1930, which runs as follows:—"The posts were filled up by the technically trained mechanics who were all *ex*-apprentices, it being considered by the Agent that they had prior claims to their juniors who would be completing their apprenticeship at a later date."

(*b*) If the answer to part (*a*) be in the affirmative, will Government please state why Messrs. Smith, Sim, Platts, Gibbons and Nandi have been appointed in the Lillocah workshop in preference to the apprentices of 1930, who secured very high positions in the examination?

Sir Alan Parsons: The question is similar to starred question No 1306 asked by Mr. Amar Nath Dutt on the 16th November, 1931. I have called for certain further information and will lay a reply on the table in due course.

APPOINTMENT OF LILLOOAH APPRENTICES AS ELECTRICIANS AND TRAIN EXAMINERS.

631. ***Mr. Bhuput Sing:** (*a*) Will Government be pleased to state whether the *ex*-apprentices of Lillooah workshop are qualified for the posts of electricians and train examiners under Divisional Superintendents and whether they have been taken in as such? If so, what are the number of Anglo-Indians and Indians taken in as such?

(*b*) Is it a fact that one Anglo-Indian has been appointed as train examiner in the Howrah Division, while no Indian has been appointed? Were qualified Indians available?

(*c*) Do Government propose to take such apprentices as electricians and train examiners and issue orders to Divisional Superintendents to this effect? If not, why not?

Sir Alan Parsons: (*a*) All *ex*-apprentices of Lillooah Workshop cannot be considered as qualified for posts of Electricians and Train Examiners, as this depends on whether they have received training in the Train Lighting, Carriage Repair or Wagon Repair Shops. One Anglo-Indian has so far been appointed as a Train Examiner.

(*b*) One time-expired Anglo-Indian apprentice of the Lillooah Shops was appointed as a Train Examiner. Government are not aware whether other qualified persons were available, but presumably the person consider to be best qualified was appointed.

(*c*) Orders have already been issued to the Divisional Superintendents to appoint in suitable posts qualified time-expired apprentices of the Lillooah Shops, if and when vacancies arise

APPOINTMENT OF APPRENTICES OF THE LILLOOAH RAILWAY WORKSHOP.

632. ***Mr. Bhuput Sing:** (*a*) Is it a fact that all apprentices who have completed their apprenticeship training successfully from the Lillooah workshop and were not provided with posts, are all on the waiting list in the workshop establishment at Lillooah?

(*b*) If the answer to part (*a*) be in the affirmative, will Government please state why Messrs. Smith, Sim, Platts, Gibbons and Nandi were appointed ignoring the claims of senior apprentices of 1930?

Sir Alan Parsons: (*a*) A record is maintained at Lillooah of all apprentices who have completed their training successfully at that workshop.

(*b*) I have called for certain information and will lay a reply on the table.

APPOINTMENT OF LILLOOAH APPRENTICES IN THE INDIAN AIR FORCE AT KARACHI.

633. ***Mr. Bhuput Sing:** (*a*) Is it a fact that the Deputy Director, Railway Board, had written to the Agent, East Indian Railway, in a letter that he would see ways and means to provide the trained apprentices in the Indian Air Force wing of the Indian Technical and Follower Corps of the Indian Air Force, in Karachi?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to state whether any information to this effect was given to *ex*-apprentices? If not, why not?

Sir Alan Parsons: (*a*) and (*b*). I would refer the Honourable Member to my reply to Mr. Amar Nath Dutt's question No. 1309, dated the 16th November, 1931, and might add that the Agent, East Indian Railway, was recently instructed to invite applications from apprentices who may have left the railway after completing their apprenticeship during the preceding 12 months for consideration for certain vacancies about to be filled.

LIMITING THE NUMBER OF APPRENTICES IN THE LILLOOAH RAILWAY WORKSHOP.

634. ***Mr. Bhuput Sing:** (*a*) With reference to the answer to starred question No. 297 (*c*) of the 10th September, 1929, will Government be pleased to state whether they have issued any detailed instruction in the matter of limiting the number of First Grade Bound apprentices in the East Indian Railway Workshop, Lillooah?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to lay a copy of the instruction on the table?

(*c*) Will Government please state how many apprentices have been taken in 1930 and 1931?

Sir Alan Parsons: (*a*) and (*b*). The attention of the Honourable Member is invited to the reply given to parts (*a*) and (*b*) of a similar question No. 1310, asked by Mr. Amar Nath Dutt in the Legislative Assembly on the 16th November, 1931.

(*c*) Three European or Anglo-Indian and three Indian apprentices were appointed for the Mechanical Department in 1930. As regards the year 1931, no apprentices were appointed for the Mechanical Department. Six European or Anglo-Indian and seven Indians were appointed to be trained as Train Examiners for the Operating Department.

LIMITING THE NUMBER OF APPRENTICES IN THE LILLOOAH RAILWAY WORKSHOP.

635. ***Mr. Bhuput Sing:** (*a*) Do Government propose to stop recruitment of First Grade Bound apprentices in the East Indian Railway Workshop, Lillooah, till all the apprentices are provided with posts?

(*b*) If the answer to part (*a*) be in the negative, will Government please state what endeavour is being made to provide the surplus *ex*-apprentices with posts in the East Indian Railway establishment?

Sir Alan Parsons: (*a*) No.

(*b*) No guarantee or promise of employment on completion of apprenticeship is given or implied by the Railway as it is impossible to say what vacancies will occur after the five year apprenticeship period. But when vacancies occur *ex*-apprentices are considered.

APPOINTMENT OF TRAINED APPRENTICES ON RAILWAYS.

636. *Mr. Bhuput Sing: (*a*) With reference to answer to starred question No. 472 (*a*) and (*b*) of the 5th March, 1930, will Government please state whether they have issued general orders applicable to all State-managed Railways relating to the recruitment, training, and appointment of apprentices after their workshop training? If not, why not?

(*b*) If the answer to part (*a*) be in the affirmative, will Government please lay a copy of such order on the table?

Sir Alan Parsons: With your permission, Sir, I propose to reply to questions Nos. 636 and 637 together. These questions are in identical terms to questions Nos. 1312 and 1313 asked by Mr. Amar Nath Dutt in the Legislative Assembly on the 16th November, 1931, and I would invite the attention of the Honourable Member to the replies given to those questions.

ALLEGED RACIAL DISCRIMINATION IN TRAINING OF APPRENTICES AT JAMALPUR.

†637. *Mr. Bhuput Sing: (*a*) Will Government please state whether Messrs. Smith and Sim were selected for heat treatment training at Jamalpore and no Indian was given that chance?

(*b*) Is it a fact that there were in the Lillooah Workshop Indian apprentices of sufficient education and training who could be selected for heat treatment training at Jamalpore?

(*c*) If the answer to part (*b*) be in the affirmative, will Government please state whether they made any endeavour to select the apprentices for heat treatment training at Jamalpore from among Indian apprentices as well? If not, why not?

(*d*) Will Government please state the reasons for not selecting the Indian apprentices and what were the grounds for selecting two Europeans and Anglo-Indians and what were their special qualifications?

(*e*) Will Government please state whether they propose to select apprentices in future for heat treatment training at Jamalpore according to their merits without any racial considerations or considerations of caste or creed? If not, why not?

APPOINTMENT OF APPRENTICES OF THE LILLOOAH RAILWAY WORKSHOPS.

638. *Mr. Bhuput Sing: Is it a fact that the reply given to starred question No. 467 of the 5th March, 1930, is incorrect in so far as Mr. Panna Lal Banerji did not complete his training in 1929; and that only one Indian (Mr. A. Beg.) and five Anglo-Indians were appointed in the Lillooah Workshop?

† For answer to this question *see* answer to question No. 636.

Sir Alan Parsons: It has been ascertained from the Agent, East Indian Railway, that Mr. Panna Lal Banerjee did actually complete his apprenticeship on 29th February, 1928, and not in 1929. Mr. Banerjee was on probation from 1st March, 1928 to 31st January, 1929 and was appointed to a permanent post on 1st February, 1929. Apart from him, one Indian and five Europeans or Anglo-Indians were appointed in the Lillooah Workshop in 1929.

APPOINTMENT AND PROMOTION OF AN "OUTSIDER" IN THE LILLOOAH RAILWAY WORKSHOP.

639. *Mr. Bhuput Sing: (*a*) Is it a fact that an outsider has been appointed as a mechanic in the Saw Mills, Lillooah Workshop, in the beginning of this year on Rs. 390?

(*b*) Is it a fact that the said gentleman is now officiating as Foreman in that shop?

(*c*) If the answer to part (*a*) be in the affirmative, will Government please state why the cases of the mechanics who were in service or of the successful *ex*-apprentices who are still unemployed were not taken into consideration for this post?

(*d*) If the answer to part (*b*) be in the affirmative, will Government please state whether the case of the promotion of the Assistant Foreman of that shop was considered? If so, why was he not promoted, but an outsider employed as Foreman?

Sir Alan Parsons: (*a*) It is a fact that an outsider was appointed as a Mechanic in the Saw Mills, Lillooah Workshops, on Rs. 350 per mensem early in 1931.

(*b*) Yes.

(*c*) and (*d*). A highly trained and experienced man was required to take the place of the Saw Mills Foreman and no one in the Lillooah Workshops, either European, Anglo-Indian or Indian, was considered suitable for it.

TRANSFER OF THE WORKS MANAGER, LILLOOAH WORKSHOP.

640. *Mr. Bhuput Sing: (*a*) Will Government please state if there is any limit to the maximum period of time for which one gazetted railway officer is allowed to remain in the East Indian Railway establishment, Lillooah?

(*b*) Will Government please state whether the post of Works Manager in the Lillooah Workshop is transferable or not?

(*c*) Will Government please state for how many years the present Works Manager has been holding his post in the East Indian Railway Workshop, Lillooah?

Sir Alan Parsons: (*a*) and (*b*). The attention of the Honourable Member is invited to the reply given by me to parts (*a*) and (*b*) of a similar question, No. 1316, asked by Mr. Amar Nath Dutt in the Legislative Assembly on the 16th November, 1931.

(*c*) The present incumbent of the post was appointed as Works Manager, Lillooah Shops, on 19th June, 1920. He was transferred to Dhanbad as District Carriage and Wagon Superintendent on 20th December, 1921, until 4th November, 1922, when he returned to Lillooah as

Works Manager. He has held the post of Works Manager at Lillooah since that date except from 18th June, 1926 to 6th December, 1926 when he officiated as Deputy Chief Mechanical Engineer, and from 14th September, 1924 to 30th November, 1924 and 6th March, 1928 to 31st October, 1928 when he was on leave.

DANGER OF INFECTION FROM TUBERCULOSIS IN THE NEW CENTRAL JAIL, MULTAN.

641. ***Mr. S. C. Mitra:** (*a*) Is it a fact that a number of "A" and "B" Class prisoners from Delhi have been transferred to the New Central Jail, Multan?

(*b*) Are Government aware that a number of prisoners suffering from tuberculosis have been lodged in the same jail with these prisoners?

(*c*) Will Government please state what is the number of prisoners suffering from tuberculosis in the New Central Jail, Multan?

(*d*) Are Government aware of the manifest danger to the health of other prisoners by the retention of prisoners suffering from tuberculosis? Do Government propose to take immediate steps to remove these prisoners and to isolate them in a separate jail?

The Honourable Sir James Crerar: (*a*) Yes.

(*b*) Yes, but they are located far apart from each other.

(*c*) The number was 118 on the 3rd February, 1932.

(*d*) The separate jail for tubercular prisoners at Shahpur collapsed on account of the floods of 1929. The Punjab Government have under their consideration plans for the construction of a new jail for such prisoners.

PROVISION OF FANS FOR PRISONERS IN THE CENTRAL JAIL, MULTAN.

642. ***Mr. S. C. Mitra:** (*a*) Are Government aware that there is no provision for fans for "A" and "B" Class prisoners from Delhi in the Central Jail, Multan?

(*b*) Do Government propose to take steps to provide fans to "A" and "B" Class prisoners from Delhi lodged in the Central Jail, Multan?

(*c*) If the Punjab Government are not prepared to provide these facilities, do Government propose to order the return of Delhi prisoners to the District Jail, Delhi, and make necessary arrangements for fans for them during summer?

The Honourable Sir James Crerar: (*a*) Yes.

(*b*) Not at present.

(*c*) The matter is under the consideration of the Chief Commissioner, Delhi, in consultation with the Inspector-General of Prisons, Punjab.

ALLEGED WRONGFUL DETENTION IN PRISON OF HAR DHIAN SINGH CHANDIWALA.

643. ***Mr. S. C. Mitra:** (*a*) Are Government aware that one Har Dhian Singh Chandiwala was sentenced under section 17A, Criminal Law Amendment Act, in January by a Magistrate in Delhi to pay a fine of Rs. 100 or in lieu to undergo imprisonment for one month?

(*b*) Will Government please state on what date the fine of Mr. Har Dhian Singh was realised?

(*c*) Was Mr. Har Dhian Singh released on the same date or not?

(*d*) How long was Mr. Har Dhian Singh detained after the realisation of the fine, if so, under what law and on whose order?

(*e*) If Mr. Har Dhian Singh was detained for many days after the payment of his fine, what action, if any, has been taken by Government If not, do Government propose to take any action against the authority responsible for this detention?

The Honourable Sir James Crerar: (*a*) Yes on the 14th January.

(*b*) The fine was realised on the 2nd February.

(*c*) No.

(*d*) He was released on the 13th February. Owing to a reprehensible omission on the part of the *Ahlmad* of the Court no intimation had been sent to the Jail of the recovery of the fine to enable him to be released earlier.

(*e*) The *Ahlmad* found to be at fault is being punished.

ALLEGED ROUGH HANDLING OF A WOMAN PRISONER.

644. ***Mr. S. C. Mitra:** (*a*) Has the attention of Government been drawn to the issue of the *Daily Tej*, dated the 6th February, 1932, to a report appearing on page 1, with regard to the arrest of Mrs. Desh Bandhu?

(*b*) Are Government aware that Mrs. Desh Bandhu was rudely treated, insulted, and roughly handled by the police officer-in-charge who effected her arrest?

(*c*) If so, will Government please state what action if any has been taken against the police officer in question?

The Honourable Sir James Crerar: I would refer the Honourable Member to the answer I gave on the 29th February to Mr. B. R. Puri's question on the same subject.

WOMEN PRISONERS TRANSFERRED TO LAHORE IN A THIRD CLASS COMPARTMENT.

645. ***Mr. S. C. Mitra:** (*a*) Is it a fact that women prisoners were transferred recently in a III class compartment to the Female Jail Lahore from Delhi unaccompanied by female escorts?

(*b*) Is it a fact that the Sub-Inspector in-charge of the escort insisted on sleeping in the same compartment with the women prisoners?

(*c*) Are Government aware that during the last civil disobedience movement prisoners as a rule were sent in higher class compartments accompanied by female escorts?

(*d*) Will Government please state why this practice has been given up and whether steps are proposed to be taken to transfer women prisoners of the above type in higher class compartments accompanied by female escorts only?

The Honourable Sir James Crerar: (*a*) Yes.

(*b*) The female prisoners, of whom there were eleven, objected to the head constable and constables travelling in the same compartment; but raised no objection to the Sub-Inspector doing so. No jail van was available, in which separate compartments are provided for prisoners and escort. In this case, the carriage being an ordinary third class carriage, the whole escort should have travelled with the prisoners. The Sub-Inspector, however, decided to escort the prisoners himself and put the rest of the escort in the next carriage.

(*c*) and (*d*). No. The ordinary practice in the United Provinces, Punjab, North West Frontier Province, Delhi and Assam is, I understand, to provide third class accommodation, but where suitable third class carriages with proper sanitary arrangements are not available intermediate class accommodation is allowed. Prisoners are permitted, however, to travel with their escorts in a higher class, if they pay the total additional costs. The usual practice is that female prisoners are accompanied by a female ward when there is only one prisoner.

CLASSIFICATION OF WOMEN POLITICAL PRISONERS.

646. *Mr. S. C. Mitra: (*a*) Will Government please state how many women in Delhi have been convicted or arrested for non-violent political offences since the 1st of January, 1932?

(*b*) Will Government please state how many of these women have been placed in the "C" class?

(*c*) Are Government aware that during the last civil disobedience movement, a strong public protest was made against the classification of such prisoners in the "C" class and that some women prisoners went on hunger-strike in the same connection?

(*d*) Do Government propose to issue instructions that in future no women political convicts guilty of non-violent offences should be placed in the "C" class?

The Honourable Sir James Crerar: (*a*) and (*b*). 51 women have so far been arrested in Delhi in connection with the civil disobedience movement and the Ordinances. Of these 50 have been convicted and 12 placed in "C" class.

(*c*) I am aware that some women went on hunger strike in 1930 because they were classified as "C" class prisoners.

(*d*) No, Sir. The women prisoners have been classified according to the rules and Government see no reason to exclude them from the operation of the rules.

UNSTARRED QUESTIONS AND ANSWERS.

CLERKS MAINTAINED ON THE FRONTIER OF NEPAL IN BENGAL AND NORTH-WESTERN RAILWAY STATIONS.

112. Mr. N. R. Gunjal: (*a*) Is it a fact that on the Bengal and North-Western Railway, at some stations, situated near or at the boundary of Nepal, Frontier Clerks are maintained to take a note of imports and exports from and to the land of Nepal for the information of Government?

(*b*) If so, will Government be pleased to state:

(i) whether these clerks are under the administration of that railway;

(ii) whether Government have to meet the expenses for their maintenance;

(iii) if so, what sum of money Government have to spend towards their maintenance;

(iv) what is the number of such clerks:

(v) what are the rates of their salaries;

(vi) what are the other conditions of their service; and

(vii) whether their appointments are permanent?

Sir Alan Parsons: (*a*) and (*b*). Statistics relating to the movement of certain commodities are compiled by the Bengal and North-Western Railway Administration at the principal stations along the Nepal Frontier under arrangements made with the Director General of Commercial Intelligence and Statistics. It was agreed in 1925 that the Director General would pay the Bengal and North-Western Railway Rs. 300 per mensem for the compilation of these statistics, the actual arrangements to be made for obtaining the figures being left to the discretion of the Bengal and North-Western Railway. Government have no information as to what these arrangements are.

PRESSURE ON RAILWAY SUBORDINATES TO VOTE FOR A MUNICIPAL CANDIDATE AT GORAKHPUR.

113. Mr. N. R. Gunjal: (*a*) Are Government aware that the offices of the Bengal and North-Western Railway, at headquarters were ordered to be closed after 2 P.M. on 2nd December, 1931, and a circular was issued to the staff residing in the Alinager Municipal Ward, Gorakhpur, to meet together in order to discuss positive means to return Pandit Krishna Gopal, a clerk of the Traffic Manager's office, in the election to the said municipality?

(*b*) If so, will Government be pleased to state:

(i) the authority under which such orders could be issued and whether the authorities of the Railway could enter into the election campaign, bringing official pressure to bear upon the subordinates in a matter like this; and

(ii) whether a number of clerks approached Rai Sahib Mr. Madhusudan Das, President of the Bengal and North-Western Railwaymen's Association and stated to him their grievance against this official pressure and he communicated it to the Agent to the Bengal and North-Western Railway requesting him to withdraw the orders?

(*c*) If the facts as stated in part (*b*) (ii) are correct, will Government be pleased to state whether or not the orders were withdrawn? If not, why not?

Sir Alan Parsons: Government have no information, but enquiries will be made.

NON-ISSUE OF RAILWAY PASSES TO THE REPRESENTATIVE OF THE ALL-INDIA RAILWAYMEN'S FEDERATION.

114. **Mr. N. R. Gunjal:** (*a*) Are Government aware of the following facts:

(i) that the fourth half-yearly meeting between the representatives of the Railway Board and of the All-India Railwaymen's Federation was held in the 1st week of December, 1931;

(ii) that Mr. Ram Prasad, Secretary, Bengal and North-Western Railwaymen's Association, was selected to represent the Bengal and North-Western Railway employees at this meeting and his name was communicated along with those of others to the Railway Board by the Federation for grant of passes to enable him to attend the meeting;

(iii) that the Railway Board wired to the Agent, Bengal and North-Western Railway, directing him to issue the passes;

(iv) that the passes were not issued and Mr. Ram Prasad did not attend the meeting as a protest against the non-issue?

(*b*) If the reply to part (*a*) be in the affirmative, will Government be pleased to state why passes were not issued and what was the cause for misunderstanding?

Sir Alan Parsons: (*a*) (i) to (*iv*). Yes.

(*b*) Companies' railways are not bound to issue free passes to representatives of the All-India Railwaymen's Federation on such occasions and the Bengal and North-Western Railway had declined to issue free passes to non-railway delegates. The request to that railway to issue a pass in this case was made through a mistake but an arrangement has now been entered into with the Bengal and North-Western Railway that free passes to the delegates over the railway will be issued by the Railway Board, who will however refund the equivalent fare to the railway.

EDUCATION OF THE CHILDREN OF RAILWAY EMPLOYEES AT GORAKHPUR.

115. **Mr. N. R. Gunjal:** (*a*) Has the attention of Government been drawn to:

(i) the letter of the Secretary, Bengal and North-Western Railwaymen's Association, Gorakhpur, dated November 11th, published in the daily issue of the *Leader*, dated November 17th, 1930, at page 7, in the column of "Letters to the Editor"; and

(ii) the editorial comment in that connection, at page 8?

(*b*) If the reply to part (*a*) be in the affirmative, will Government be pleased to state what action, if any, has been taken in regard to the following allegations as contained therein:

(i) that the Bengal and North-Western Railway Administration have provided, for the education of children of their Indian employees, only one school teaching up to the 6th Anglo-Vernacular class, at Gorakhpur;

(ii) that the said school is situated about 2½ miles off from the centre of the town;

(iii) that only 202 children of Indian employees have been able to take advantage of the school;

(iv) that the majority of Indian employees, even at Gorakhpur, have not been able and are not in a position to derive any benefit out of this school;

(v) that the head master of the school, although he is a graduate, yet gets only Rs. 40 per mensem;

(vi) that the Railway contributes to this school only Rs. 100, while it contributes to the school of children of European employees and Indian officers, Rs. 225; and

(vii) that it has provided five schools, at different centres, for the education of children of European employees?

(*c*) If so, (i) what are the reasons for discriminations, and (ii) whether things have improved since then; if so, in what respects?

(*d*) If the reply to part (*a*) be in the negative, what action do Government propose to take to call for a copy of the paper under reference?

Sir Alan Parsons: I have called for certain information from the Agent, Bengal and North-Western Railway, and will lay a reply on the table in due course.

AGES OF WORKMEN SUPERANNUATED ON THE BENGAL AND NORTH-WESTERN RAILWAY.

116. **Mr. N. R. Gunjal:** (*a*) Has the attention of Government been drawn to the following facts:

(i) that the Foremen of the Loco. and Carriage Workshops, Gorakhpur, Bengal and North-Western Railway, prepared different lists of workmen in 1925, showing ages of batches to complete 55 years of age earlier than they would have actually attained that age;

(ii) that some of the workmen concerned approached the authorities to challenge the correctness of the lists and that they were referred to the Principal Medical Officer of that Railway (Col. Masson, I.M.S.);

(iii) that the Principal Medical Officer examined them in April, 1930, and granted certificates in regard to their ages varying from 40 years to 53 years then;

(iv) that in disregard of the certification of ages by the Principal Medical Officer, the lists prepared by the Foremen were approved of and the workmen concerned were definitely ordered to retire from the 1st July, 1931;

(v) that the workmen concerned approached the Bengal and North-Western Railwaymen's Association who referred their case to the Agent of the Railway, for the first time, on the 22nd August, 1930, forwarding a copy of the same to the Railway Board and subsequently despatched a number of reminders, but to no effect;

(vi) that failing to receive a reply, the Association had to approach the Government of India with their case in this respect, mentioning the above facts and praying for the appointment of a

Court of Inquiry, under the Trade Disputes Act, resulting in an inquiry being held by Government and admission by the Bengal and North-Western Railway Administration that the ages of the workmen concerned, as certified by the Principal Medical Officer, were accepted and that no action was being taken to discharge them on the 1st July, 1931;

(vii) that about six months only after this those men were again given notice on the 1st December, 1931, for discharge, on account of reduction of staff, with effect from the 1st January, 1932;

(viii) that the Bengal and North-Western Railwaymen's Association again referred their case to the Agent stating their intention of approaching the Government of India under the Trade Disputes Act; and

(ix) that subsequent to this reference to the Agent, those men who were still in service were called for by the Loco. Carriage Superintendent and granted extension, for various periods of time, but not in keeping with the ages certified by the Principal Medical Officer, with the exception of five who were discharged on the 1st January, 1932?

(*b*) Will Government be pleased to state whether they propose to intervene in the matter of granting extensions of service to certain workmen of the Bengal and North-Western Railway in accordance with the ages certified by the Principal Medical Officer? If not, why not?

(*c*) Are Government aware of the fact that the Bengal and North-Western Railwaymen's Association have resolved to refer the matter to Government under the Trade Disputes Act? If so, have Government received a representation?

Sir Alan Parsons: Government are aware that the matters referred to in items (*i*) to (*vi*) of part (*a*) of the Honourable Member's question formed the subject of an application made by the Bengal and North-Western Railwaymen's Association to Government for the appointment of a Court of Inquiry under the Trade Disputes Act, but as regards the rest of the question they have no information, except for statements made in a further representation which has been received from the Association and which is under consideration.

REPORT OF THE ROYAL COMMISSION ON LABOUR.

117. **Mr. N. R. Gunjal:** Will Government be pleased to state:

(*a*) what action is being taken by them on the Report of the Royal Commission on Labour in India; and

(*b*) what they are going to do with the recommendations contained therein?

The Honourable Sir Joseph Bhore: (*a*) and (*b*). A large number of the recommendations of the Commission involve action by authorities other than the Government of India. The attention of Local Governments has been drawn to those recommendations which require provincial action and they have been asked to bring to the notice of public bodies, employers and their organizations and trade unions the recommendations which are addressed to them. The recommendations which are addressed primarily to the Government of India are being examined as expeditiously as possible. The Government of India have already laid before the Assembly in the present session two Bills based on the Commission's recommendations and I hope to introduce two more Bills before the session ends. The Government of India have passed orders on the recommendations relating to Labour in public works and they have made references to Local Governments or other authorities on several subjects, including employers' liability legislation, workmen's compensation in agriculture, the recruitment of seamen, and factory statistics. The recommendations relating to a number of other questions are at present under examination.

APPLICATIONS FOR APPOINTMENT OF TRIBUNALS UNDER THE TRADE DISPUTES ACT.

118. **Mr. N. R. Gunjal:** Will Government be pleased to state:

(i) how many applications have been filed with the Government of India for appointment of tribunals under the Trade Disputes Act since its enforcement;

(ii) how many of them were from Labour Unions;

(iii) how they were dealt with;

(iv) how many and which were rejected; and

(v) what were the reasons for rejection, if any was rejected?

The Honourable Sir Joseph Bhore: (i) Six.

(ii) All.

(iii) and (iv). One application for the appointment of a Board of Conciliation was granted, and in another case, where a labour organization applied for a Board of Conciliation, a Court of Inquiry was appointed. Four applications were rejected; they were from the following organizations:

(1) Bombay, Baroda and Central India Railway Employees' Union,

(2) North Western Railway Union,

(3) Bengal and North Western Railwaymen's Association, and

(4) All-India Railwaymen's Federation.

(v) The Governor General in Council did not consider that the nature of the trade disputes alleged in these four cases justified reference to a tribunal under the Trade Disputes Act.

INSTITUTES FOR EUROPEAN AND INDIAN STAFF ON THE BENGAL AND NORTH WESTERN RAILWAY.

119. **Mr. N. R. Gunjal:** (*a*) Will Government be pleased to state whether in the Bengal and North Western Railway institutes are provided for Indian and European staff? If so, how many are for Europeans and how many for Indians?

(*b*) Do the Railway Administrations contribute any fund towards their maintenance? If so, how much to the Indian institutes and how much to the European institutes?

(*c*) If contributions to the European institutes are higher than those to the Indian institutes, what are the reasons for this discrimination?

(*d*) Is there any scheme under consideration for extending the provision of institutes for Indian staff and workers?

(*e*) Are Government in communication with the Railway Administration on the subject?

Sir Alan Parsons: I have called for certain information and a reply will be laid on the table in due course.

ACCOMMODATION FOR CLERKS IN THE AUDIT OFFICE, BENGAL AND NORTH WESTERN RAILWAY.

120. **Mr. N. R. Gunjal:** Will Government be pleased to state:

(*a*) whether they are aware that accommodation for clerks in the Audit Office of the Bengal and North Western Railway is congested; and

(*b*) what is the number of clerks employed therein?

Sir Alan Parsons: Government have no information, but I will bring the Honourable Member's question to the notice of the Agent of the Bengal and North Western Railway.

MARKERS EMPLOYED IN THE BENGAL AND NORTH WESTERN RAILWAY.

121. **Mr. N. R. Gunjal:** (*a*) Will Government be pleased to state:

(i) how many markers are employed with the Bengal and North Western Railway;

(ii) what is their maximum pay;

(iii) how many receive the maximum pay;

(iv) how many were promoted as Assistant Goods Clerks during the last two years; and

(v) whether they are eligible to gratuity and provident fund benefits; if so, how many of them got gratuity during the last five years and how many enjoy the provident fund benefit?

(*b*) Is it a fact that they are literate and are engaged to work as clerks?

(*c*) Is it not a fact that marking of goods is being done by the illiterate staff of the stations?

Sir Alan Parsons: I have called for information from the Agent of the Railway and will reply to the Honourable Member's question when it is received.

RECRUITMENT AND PROMOTIONS IN THE BENGAL AND NORTH WESTERN RAILWAY WORKSHOPS AT GORAKHPUR.

122. **Mr. N. R. Gunjal:** (*a*) Will Government be pleased to state:

(i) whether in the Bengal and North Western Railway Workshops at Gorakhpur, vacancies caused by resignations and removal from employment were not filled up;

(ii) how many workers resigned or were removed from employment during the last four years;

(iii) how many workers were recruited during the same period; and

(iv) if vacancies were not filled up, how work is being managed?

(*b*) How were workers employed during December, 1930?

(*c*) How many workers got increments in their wages during 1930?

(*d*) What was the total sum of increments given in the wages of workshops' workers in the same year (1930)?

Sir Alan Parsons: Government regret that they cannot undertake to collect the information required as it would entail a disproportionate expenditure of time and labour.

WORKING HOURS OF THE BENGAL AND NORTH WESTERN RAILWAY STAFF.

123. **Mr. N. R. Gunjal:** Has the attention of Government been drawn to a letter No. 33/90, dated 23rd May, 1929, of the Secretary, Bengal and North Western Railwaymen's Association, addressed to P. R. Rau, Esq., the then Financial Commissioner of Railways, criticising the reply given to unstarred question No. 340 in the Legislative Assembly on the 18th March, 1929, and making certain suggestions relative to the working hours of the Bengal and North Western Railway staff? If so, what action Government was pleased to take thereon?

Sir Alan Parsons: A copy of the letter referred to was forwarded to the Agent, Bengal and North Western Railway, and his reply to the criticisms of the Secretary, Bengal and North Western Railwaymen's Association showed that no action by Government was called for.

LEAVE FOR SUBORDINATES OF THE BENGAL AND NORTH WESTERN RAILWAY.

124. **Mr. N. R. Gunjal:** (*a*) Are Government aware that a sufficient number of relieving staff is not maintained on the Bengal and North Western Railway?

(*b*) Are Government aware that leave is hardly granted to the subordinate staff on the Railway and they are seldom allowed to avail themselves of the leave even if it is granted?

Sir Alan Parsons: I have called for information from the Agent, Bengal and North Western Railway, and a reply will be laid on the table in due course.

REPORT OF THE RAILWAY RETRENCHMENT SUB-COMMITTEE.

125. **Mr. N. R. Gunjal:** (*a*) Will Government be pleased to state if their attention has been drawn to paras. 27 to 32 of the Report of the Railway Retrenchment Sub-Committee of the Retrenchment Advisory Committee?

(*b*) If so, will Government be pleased to state if any action has been taken to give effect to the Sub-Committee's recommendation? If so to what extent? If not, why not?

Sir Alan Parsons: (*a*) and (*b*). I would refer the Honourable Member to the statement circulated to all Members of the House on the 4th November, 1931, and also to the statement circulated with the Budget papers showing the further action taken.

SEPARATION OF AUDIT AND ACCOUNTS DEPARTMENTS OF STATE RAILWAYS.

126. **Mr. N. R. Gunjal:** (*a*) Will Government be pleased to state if by separation of the Audit and Accounts Departments of State Railways, the working expenses of the Railways have been increased?

(*b*) If so, will Government be pleased to state the actual increase in 1930-31 over the figure of 1928-29?

(*c*) In view of the financial stringency through which the Railways are passing at present and with a view to strict economical working of the Railways, do Government propose to amalgamate the two Departments as recommended by the Railway Retrenchment Sub-Committee? If not, why not?

Sir Alan Parsons: (*a*) The separation of Audit and Accounts Department on State Railways is one but not the only nor the most important reason for the increase in expenditure on Audit and Accounts.

(*b*) The total expenditure on Audit and Accounts on State-managed railways in 1928-29 was Rs. 79,80,000 and in 1930-31 Rs. 92,60,000.

(*c*) It is not quite correct to say that the Railway Retrenchment Sub-Committee definitely recommended the amalgamation of the two departments. Their recommendation was that, unless the total cost of the Accounts and Audit organisations was reduced by a certain extent, the question of amalgamation should be taken up for consideration. The whole question is at present under the consideration of Government, but, as the Honourable Member will have observed from the Budget papers, the cost of the Accounts establishments has been reduced.

PUBLICITY DEPARTMENT OF THE EASTERN BENGAL RAILWAY.

127. **Mr. N. R. Gunjal:** (*a*) Will Government be pleased to state if the Publicity Department of the Eastern Bengal Railway is now working at a loss?

(*b*) If so, is it the intention of Government to curtail the expenditure of that Department to fit in with the income derived?

Sir Alan Parsons: (*a*) It is not practicable to estimate the return from expenditure on publicity.

(*b*) In view of the need for economy, the Agent, Eastern Bengal Railway, has reported that he has budgeted for an expenditure on publicity for 1932-33 of Rs. 51,000 as against Rs. 91,000 spent in 1930-31 and Rs. 61,000 which is estimated as the expenditure for 1931-32.

COST OF THE EASTERN BENGAL RAILWAY SUPPLEMENT TO THE INDIAN STATE RAILWAY MAGAZINE.

128. **Mr. N. R. Gunjal:** Will Government be pleased to lay on the table a statement showing separately the actual expenditure incurred and the actual income derived in conducting the Eastern Bengal Railway Supplement to the Indian State Railway Magazine for the years 1928-29, 1929-30 and 1930-31?

Sir Alan Parsons: Information is available only for 1930-31, when the expenditure was Rs 11,405 and the receipts Rs. 8,981.

CUTS IN PAY OF RAILWAY EMPLOYEES.

129. **Mr. N. R. Gunjal:** (*a*) Has the attention of Government been drawn to paragraph 184 of the Railway Retrenchment Sub-Committee's Report regarding cuts in pay?

(*b*) If so, will Government be pleased to state why instead of giving effect to the graduated cuts in pay as recommended by the Sub-Committee, the Railway Board have ordered a 10 per cent. cut in the pay of all Railway employees drawing above Rs. 83/5/4?

Sir Alan Parsons: (*a*) Yes.

(*b*) A cut of 10 per cent. in the pay of railway employees drawing above Rs. 83-5-4 per mensem was ordered by Government as in their opinion the rate of the cut should be uniform in the case of such employees.

THE MOODY-WARD AND CREW SYSTEMS OF TICKET CHECKING.

130. **Mr. N. R. Gunjal:** (*a*) Will Government be pleased to state if the "Moody" and "Crew" systems of ticket checking are in force side by side in the East Indian and Eastern Bengal Railways?

(*b*) If so, will Government be pleased to state briefly the relative financial aspect of the two systems?

Sir Alan Parsons: (*a*) On the East Indian Railway the system of checking tickets is that recommended in the Moody-Ward Committee's Report. On the Eastern Bengal Railway, on certain sections, a modified form of the crew system is in force, and on others, tickets are checked at stations by Ticket Collectors, and on some trains, by Travelling Ticket Examiners.

(*b*) It is not practicable to estimate the financial effect of either system, but the more intensive the check of tickets in trains the greater is the revenue realised. Both the crew system and the system recommended by the Moody-Ward Committee are forms of intensive checking, differing in degree.

RETRENCHMENT OF SUPERIOR OFFICERS ON STATE RAILWAYS.

131. **Mr. N. R. Gunjal:** (*a*) Will Government be pleased to state whether it was the intention of the Government of India, Railway Department, Railway Board, to retrench one hundred surplus superior officers from all the State Railways due to the economic crisis?

(*b*) If so, will Government be pleased to state how many superior officers from each State Railway have so far been retrenched and when Government propose to retrench the balance of surplus officers?

(*c*) Will Government be pleased to state how many superior officers have been recruited in State Railways and what are the reasons for the recruitment of superior officers? Is it a fact that a large number of subordinate employees have been retrenched due to the severe economic crisis through which the Indian Railways are passing at present?

Sir Alan Parsons: (*a*) No: the intention was to reduce the gazetted cadres of the State-managed railways by that number and to discharge surplus officers only to the extent necessary to bring actuals down to the reduced strength of the cadres.

(*b*) A statement giving the available information is laid on the table.

(c) The recruitment for the year 1931-32 is 19,—nine by promotion and ten by recruitment.

A considerable number of subordinate employees has had to be discharged; but Government cannot commit themselves to a complete suspension of fresh recruitment for the superior services though such recruitment will in present circumstances be made on a restricted scale.

Statement showing the number of Gazetted officers discharged on State-managed Railways.

Railway.	No.
Eastern Bengal	6
East Indian	11
Great Indian Peninsula	7
North Western	15
Burma	3

APPOINTMENT OF MEMBERS OF MINORITY COMMUNITIES IN THE RAILWAY MAIL SERVICE.

132. Rai Bahadur Lala Brij Kishore: Is it a fact that the Superintendent, Railway Mail Service A. Division issued a memo. on 27th January 1931 to the effect that all vacancies, either acting or permanent, should go to members of minority communities? Is it in contravention of the orders issued by the Director General of Posts and Telegraphs in one of his G. Os. in November 1927? If so, what action has been taken by the Department?

The Honourable Sir Joseph Bhore: The information wanted by the Honourable Member in the first part of his question has been called for and when it is received a reply to the whole question will be placed on the table of the House.

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 business in the week beginning Monday, the 7th March. That day has been appointed by His Excellency for the presentation to the Legislature of the General Financial Statement. In order to give Honourable Members time to study the Statement, it is proposed, Sir, that on the conclusion of the delivery of the Statement you should adjourn the House to Wednesday, the 9th. That day and the following day have been allotted by the Governor General for the general discussion of the Financial Statement. Subject to your direction, Sir, the House will sit for the transaction of Government business on Friday, the 11th and Saturday, the 12th.

On Friday, the 11th, the following programme will be brought forward:

I. Motions for the election of members to:

(1) the Standing Finance Committee,

(2) the Standing Committee on Emigration,

(3) the Standing Finance Committee for Railways,

(4) the Central Advisory Council for Railways.

II. The Railway Supplementary Demands will next be presented.

III. These will be followed by the making of motions for leave to introduce—

(1) a Bill to continue the Salt (Additional Import duty) Act, 1931,

(2) a Bill to provide funds to enable Government to continue wireless broadcasting,

(3) a Bill to amend the Merchant Shipping Act,

(4) a Bill to amend the law relating to Assam labour.

IV. These will be followed by motions to take into consideration and pass—

(1) the Bengal Criminal Law Amendment (Supplementary) Bill, as reported by Select Committee,

(2) the Foreign Relations Bill, as reported by Select Committee.

On Saturday, the 12th, the election will take place for the remaining vacancy on the Standing Advisory Committee of the Department of Education, Health and Lands. This will be followed by any business left over from Friday's list and, on the conclusion of that business, motions will be made to take into consideration and pass the Bill providing protection for the sugar industry as reported by the Select Committee.

THE RAILWAY BUDGET—LIST OF DEMANDS—*concld.*

DEMAND NO. 1—RAILWAY BOARD—*concld.*

Future of the Railway Board and the Constitutional Aspect—concld.

Mr. President: Further consideration of the cut motion of Mr. Ranga Iyer.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): I am grateful to you for giving me an opportunity to speak on this cut motion of Mr. Ranga Iyer, who has raised the question of the future of the Railway Board and the constitutional aspect in connection with it. I myself absented myself on last Tuesday, Wednesday and partly on Thursday, which is supposed to be very inauspicious to the Hindus in my part of the country, but the lengthy speeches convinced me that there must be some irregularities or something extraordinary, for this subject to come up for discussion in this House. Though my friend was not found in the same bed as Sir Henry Gidney, yet he was caught in the trap. Whatever that may be, I take the cue from the discussion which is taking place at the Viceregal Lodge, about which we are supposed to know nothing. It was raised by Mr. Benthall, who by an irony of fate or accident, got into the Round Table Conference. He is the *Burra Sahib* of Bird and Co. My friend, Mr. Clow, who is sitting in front of me representing Government, also knew something about him, and along with Mr. Benthall there were several Europeans representing several big firms in Calcutta. They were witnesses before the Royal Commission on Labour. You, Mr. President, cannot have forgotten those people who were examined and cross-examined before us. It was myself who cross-examined the contractors, middlemen, the blood suckers and the profiteers, who make some profit out of the income of the poor labourers of this country, the hewers of wood and the

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drawers of water, who earn their pittance by the sweat of their brow. My friend, Mr. Mody, Sir, represents the millowners of Bombay and he is one among the elected Members of this Assembly numbering 103 or 104, of which he is only one. Now he is supposed to be an elected Member voicing the opinion of a handful of millowners, and there arose a situation yesterday in which there was a good combination on this side of the House; and my friend who always answers these questions said that "Certainly, we are not going to give any controlling power in the future constitution of the Railway Board to the representatives of the third class passengers". Sir, I understand the income from the third class passengers which flows into the pockets of the Railway Board or the Railway Department of the Government of India comes to about 35 per cent.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): 90 per cent.

Mr. K. Ahmed: That is the percentage of third class passengers. I am a practical man. 35 per cent. I think; I have got the figure right from the Labour Member; 35 per cent. of the total income from the trains. My friend, Dr. Ziauddin Ahmad, has got the wrong figure. Now Mr. Aggarwal was wondering what was the underlying policy in bringing forward such a motion and token cut as that initiated by Mr. Ranga Iyer. Now I may tell you without any fear of contradiction, after giving you the figure of 35 per cent. of the total railway income, the rest of the population of India among the masses called the agriculturists comprise 85 per cent., and, Sir, from their pockets the Railway Department make about 40 per cent. of their income; and therefore the major portion, 75 per cent. of the nett income comes from them; and leaving this 25 per cent., a fraction of which only comes from the pockets of the owners of the cargoes or goods represented by Mr. Mody's constituency of millowners and, Sir, he hopelessly failed to define who are the "first class politicians". He had not the courage to tell us who are the first class politicians who should be represented on the Railway Board of the future.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): I know who the third class politicians are.

Mr. K. Ahmed: Now, Mr. Ranga Iyer had to criticize the speech and had to bring in a proposal for a new Railway Board and that was his conjecture,—instead of saying straight what difficulties the Railway Board have brought into this country, instead of telling us how many strikes they have provoked in every month and sometimes on almost every day, dislocating the railway lines, stopping passengers transferred from one place to the other, taking the water down from the engine. That is the situation. But Mr. Benthall in the other building, the Viceroy's House, has been preparing the ground for securing his own bread by saying that now-a-days Bird & Co. have not got enough income, the mills are running idle, the workers are not doing their work, and, Sir, the profiteers are not making any profit. (Laughter.) He is trying, Sir, under the shade of the Government and the Railway Board, to make something out of the coolie supply for a particular railway company, and so on. Now though these persons are not true elected representatives of the people of this country, nevertheless by the patronage of the Viceregal House or of the Secretary of

State they have got on to the Round Table Conference,—and, alas, Sir, the result of the Round Table Conference, it seems to me, may end in nothing but smoke. Sir, I am not a Brahmin or a member of a superior caste of the Hindus but I am a practical man (Hear, hear), and my feet are guided by the unfaltering light of experience; and if you will allow me, Sir, to take my stand upon the sayings of the great practical men, I can tell you at once that the so-called Federation would be a net work which the spiders are weaving all round,—and who are selecting such politicians on committees as do not represent the country? (Laughter.) I want to ask about one of these provinces, for example, Bengal,—have they selected any right man?

Now in connection with this token cut of Rs. 100 the politicians are all scattered, so that the Government might smuggle water from the desert of the Sahara. Some people are in jail; the picketing of the European cloth shops goes on; the supply from the mills is stimulated, and all this fight between Mr. Mody's millowners and the Lancashire millowners, who are represented by my Honourable friends on my right, goes on, and 85 per cent. of the masses of India are in trouble, because the trouble has come over there on account of the differences between these self-interested people on both sides . . . . .

Mr. President: Will the Honourable Member please say what is the relevancy of his remarks to the subject of the Railway Board?

Mr. K. Ahmed: Sir, the subject is the future constitution of the Railway Board, the constitutional aspect . . . . .

Mr. President: Yes, the constitutional aspect *as affecting the Railway Board*.

Mr. K. Ahmed: Yes, Sir, it is the self-interest, it is the money and it is a Department of the Government of India that has wasted all the substance of the politicians to-day on the floor of this House, and that is the relevancy. It is not myself who has come forward to propose bringing forward this token cut, but it has come up, Sir, surreptitiously all of a sudden through the agency of my friend, Mr. Ranga Iyer, who as it was found acted in the same way as Colonel Sir Henry Gidney, my Honourable friend; and it is on that ground that I made interjections yesterday, and my friend, Mr. Arthur Moore's paper has reported it to-day, Sir, and it is part and parcel of the debate, though it is not yet admitted by you officially, and there will be railway strike after strike if you are not careful in constituting the Railway Board of the future. It is not one Mr. Hayman or two or my friend, Sir Alan Parsons, who can save the situation. That being the position, I do not know how far the matter will be successful with regard to the attempt made by Mr. Benthall, whose cloak has fallen on Mr. Ranga Iyer and Sir Henry Gidney. (Laughter.) Well, Sir, we had yesterday about seven or eight speakers. I did not come here at all the last few days. I absented myself for two previous days because I neglected it, seeing the atmosphere on the floor of this House,—for instance, there are people who do not in practice represent their constituencies, and who happen to be here by some accident, and who do not discharge their duties at all. Sir, it is a great pity that the interests of the masses are neglected like this. Sir, I was myself instrumental in the passing of a Resolution in this Assembly in the year 1923, by virtue of which to-day

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the G. I. P. and the E. I. Railways were taken over by the State, on account of which I feel sure the country will be benefited. The Company-managed railways were conducted by officers who were living in London, and nobody was able to approach them. They had only a 5 per cent. interest, and the remaining 95 per cent. was represented by the masses of this country, and the Government was the benefactor on behalf of these poor masses. When Government have taken over the charge of these railways, Mr. Benthall has suggested in the Round Table Conference that they should go back to the previous arrangement. Sir, it is feared that the declaration of 1917 and other royal pronouncements which have been made from time to time are going to be withdrawn for the sake of a handful of people. If the Government are here simply to hear the opinion of the people of this country by means of this Legislature, may I ask Government how far they have shown their good-will in the matter of administering the railways of this country? If they say that their intention was a good one, then they ought not to have accepted the suggestion of the Round Table Conference, the representatives of which were not elected by this country. None of them could speak on behalf of the country. Most of them went in by the back door. Sir, in the year 1928 when the 7 members, leaving out for a second Sir John Simon, the Chairman, came to this country they passed a Resolution. But the Simon Commission lost the trend of their line of action, which was enunciated in their letter of the 7th February, 1928. Sir John Simon, who is a great lawyer of England, wrote a letter to Lord Irwin and his Lordship's speech of yesterday at Oxford has given palpitations to our friend Mr. Benthall. Sir, instead of acting according to the issues that were framed by the Chairman himself, Sir John Simon went back on his own decision. He said that he would see that the Members of this representative House were elected by one transferable vote, and after his arrival, he found that this Assembly had nothing to do with his Commission and everywhere he faced the flags saying, "Go Back Simon", because the people were not satisfied with his Commission.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. The Chair regrets to be obliged to interrupt the Honourable Member again. The Honourable Member is a distinguished lawyer and as such knows perfectly well what is relevant and what is not relevant. May I ask the Honourable Member to be good enough to restrict himself to the issue that is now before the House and to make all the observations he may have to make in regard to the issue of the Railway Board and its future constitution?

Mr. K. Ahmed: I am very much obliged to you, Sir, for reminding me again and again, but I have had sleepless nights and had to consider again and again what speech I was going to make to-day. Sir, it is not only myself who is having sleepless nights, but there are millions and millions of people of India who are also having sleepless nights. I may tell you, Sir, that the remarks that I am making are quite relevant. I may not be relevant according to the Evidence Act or the Civil Procedure Code, but I am sure I am relevant according to the common sense point of view. The subject is so vast that I can be always sure of being relevant.

Sir, a great mistake was made by this distinguished lawyer, Sir John Simon, because he wanted to take the people of India into his confidence and they refused. As the Resolution was passed, Sir John Simon had to feel his ground. None of my friends either in the Assembly or outside it was satisfied with the state of affairs. Sir, some Provincial Governments also passed a Resolution saying that they had got everything to do with the Simon Commission, but some said just the reverse. Therefore, instead of taking the matter by the front door it was taken by the back door. But neither the back door intruders nor those who came by the front door found their passage out. Now, the Simon Commission have written out their Report. But what is the result? The Railway Board is certainly a subject for reform. We were told that a good many nice things would be done by this Railway Board, but look at the poor people in Bengal. I represent a constituency, Sir, where two-thirds are Muhammadans, and we had expected that we would get a sufficient number of posts according to our numbers. But I was shocked to read in the papers, because I did not come to the Assembly on last Tuesday and Wednesday, that it was pointed out by my friend Sir Abdur Rahim that there are only two Muhammadans from Bengal in the whole of the Government of India Secretariat. I am afraid, Sir, that the Government of India officials have forgotten the declaration that was made by Lord Reading in the year 1925.

My Honourable friend, Mr. Mody, was speaking yesterday about what the future of the Railway Board is to be. Its constitution should be so framed that the interests of the people will not suffer and its affairs so administered that it will be worth while to retain that body. I had the honour of going through the three volumes of Mr. Hassan's Report. This Special Officer was appointed to report on the representation of the minority communities in the railway services. As a matter of fact the Reports are disappointing and we should consider the money spent on this Special Officer is wasted because none of the people for whose benefit he was appointed derive any benefit from the Report. We, by a majority, appointed the Honourable Member for Labour, I mean Mr. Hayman to look after the interests of labour on the railways. Now the question is whether the Railway Board should be in future in the hands of the representatives of the people of this country or whether it is going to be administered by indigenous people or by commercial people, or by people brought from outside with a view to bring contentment and happiness to the people of this country. The cut motion of Mr. Ranga Iyer purports to discuss the future of the Railway Board and its constitutional aspect. My Honourable friend, Mr. Ranga Iyer, has not mentioned any grievance against the officers in the Railway Board nor against the establishment. If he is dissatisfied with the present staff of the Railway Board, how is he going to replace them? Does he mean to suggest that if we accept the recommendations of Brig.-General Hammond, we will have a better Railway Board?

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): On a point of order. I am very reluctant to interrupt the very interesting speech of my Honourable friend. But if I did not use any language or argument by way of censure on the Railway Board in regard to omissions and commissions, it was because I was not speaking on the censure motion moved by my Honourable friend Mr. Bhuput Sing but on my own, which was exclusively a token cut on the constitutional aspect.

Mr. President: This is not a point of order.

Mr. K. Ahmed: I am very glad to find that my Honourable friend Mr. Ranga Iyer has qualified himself as to why he did not take up the subject of attack on the Railway Board. So, he did not have any grievance against the Railway Board. He wanted to bring in the future constitution as enunciated by Brig.-General Hammond, about whom we knew nothing till yesterday morning. It was only after my Honourable friend, Mr. Joshi, a Member of the Consultative Committee, had brought here a copy of the memorandum on the Statutory Control of Railways by Brig.-General Hammond that we had the privilege of going through his memorandum. I ask what business had the Under Secretary of State for India to depute Brig.-General Hammond to go into a question of railways in India? Under what authority was a military man chosen for this task? The subject of railways was quite foreign to this gentleman and he has written out this memorandum at the cost of the Government of India. What does he want? Does he want dislocation of all the railways? Does he want disorder to prevail in this country? Does he want to kill all passengers day and night? Does he want to exploit the people of India by imposing on us a statutory body to administer the railways? Does he want this Assembly, which represents the people of this country, to pass a Resolution embodying the principles enunciated from Whitehall? The memorandum prepared by Brig.-General Hammond runs thus:

"I have the honour to forward this memorandum, which I have prepared in accordance with the instructions contained in your letter P. & L. (C) 607 of the 25th June, 1931.

That letter instructed me to prepare a 'memorandum showing the advantages and disadvantages to be expected from the establishment in India of a Statutory Railway Authority as a feature in the proposed Federal Constitution'.

The duty required of me was more fully explained in a letter from Sir Louis Kershaw, K.C.S.I., C.I.E., in which I was asked to set out in the memorandum 'the practice in other countries, foreign and Dominion, where there is a state railway system, including both those which have a Statutory Authority and those which have not, and the advantages and disadvantages to be expected from the establishment of a Statutory Authority, as indicated by experience in other countries, stated from the technical and not from the political point of view'. I was further asked to offer my views, so far as I might be in a position to do so, on the application to the special conditions of India of the experience of other countries, both as those conditions are at present and as they would be under the federal constitution now contemplated, including my ideas as to any special provisions that might be required for Company-managed and Indian State railways."

I may say that it is a very hasty step that the Under Secretary of State for India took in deputing Brig.-General Hammond to investigate the question of railways in India. I must warn Government that they will commit the most serious blunder if they destroy the present framework of the Railway Board and bring in a new constitution which might collapse. The Government should be forewarned of the consequences. They must take the bull by the horns and they should not commit the same mistake that they did in selecting members for the Round Table Conference. Men totally ignorant of the English alphabet were selected for the Round Table Conference. In the same way they selected in Brig.-General Hammond a gentleman who has never crossed the Mediterranean and he was expected to report on the suitability of the introduction of a statutory body for railways in India. He does not know the conditions prevailing in India.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I cannot allow the Honourable Member to go on in the manner he has been doing, far removed from the subject matter which is now before the House. If the Honourable Member does not restrict himself now to the issue before the House, the Chair will be reluctantly forced to ask the Honourable Member to resume his seat.

Mr. K. Ahmed: No, Sir, if you will allow me I will not go beyond my sphere into irrelevant subjects, and you will allow me, Sir, because I am bringing my remarks to a close. I know my time limit.

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Then, Sir, having done that, having lost all that they had, now they are going through this back door and bringing a statutory authority to take away the power of the people of this country and go on with that reform in the administration of the railways by the so-called future Railway Board. They want to administer all the railways in this country, and that being so, there is nothing left, but it is quite a clear and vivid example. Sir, there is the Rates Committee, and this Rates Tribunal has certain nominees calculating that the fare of a bushel or maund of wheat is so much from Calcutta to Bombay and that a bushel of wheat coming from Australia to Calcutta costs so much, and what is the distance and the difference. Is there any man in this Assembly to conjecture, or is it not beyond the conjecture of a human being that the Rates Committee, —my friend the Leader of the House will say, "Well, that is all right but what have you got to do with the railways?" But, Sir, what is the fare and what is the distance from the Punjab to Calcutta for Indian wheat? In other countries have they not got national carriers? Have they not got their railways and steamships? Have they not got in this country railways called national railways? Have they not got the present Railway Board? How have they been acting? I know the Acworth Committee's Report and I know about other countries, Germany, Canada, Australia, Belgium and France. Sir, when in 1923 I moved the Resolution about making the East Indian Railway and the Great Indian Peninsula Railway State-managed railways, did I not ask the present predecessor of the Railway Member, did I not ask even the present Chairman of the Rates Committee, Sir Narasinha Sarma, to get a copy from Germany, if they had any Railway Code? Did I not ask them to act according to those opinions? That Resolution is still in the debates of the Assembly. Is not that in the Railway Board or in the Railway Department? Have they fulfilled that desire that we wanted the Railway Board to carry out? Sir, the present Railway Board has done nothing whatever. And in spite of that, in the future constitution of the Railway Board the power of local authority will be transferred from the control and management of the representatives of the people of this country to that body in the form of a code and therefore our power will be taken away and will once for all rest in this handful of people. Sir, it will be certainly contradictory; it will be certainly not with the consent of the people of this country and their representatives that this arrangement for the future management of the Railway Board should be adopted on those lines. Lord Irwin in his speech yesterday at Oxford said,—and I am quoting his exact words—that today in India trouble is going on and unless people are allowed to manage their own affairs and something is done with

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the consent of the people we will be doing a great disservice to that country. It must be done, otherwise a disaster is expected in the country which cannot be saved by my friend Mr. Benthall or by our friends on my right or the people in high offices or the so-called politicians. Sir, unless and until Government are careful, unless and until Government come forward, if they have a little fight here and there with a few friends, whether they are Bombay mill-owners or whether they are . . . . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. The Honourable Member has started again into what he has been repeatedly told not to do. This is the last warning the Chair wishes to give the Honourable Member that unless he is strictly relevant to the issue which is now before the House he will be asked to resume his seat. The Honourable Member ought to confine his observations to the motion before the House.

Mr. K. Ahmed: Sir, I am talking of the future constitution of the Railway Board and the constitutional aspect of that. There is a duty cast on every Member of the Assembly and on everybody else and if they do not discharge that duty they will bring the country to rack and ruin and they will bring disorder. Will the people of this country accept those back-benchers through the back door,—which will be like putting a square peg into a round hole,—and allow them to have their greedy desires satisfied? Certainly not. And if the people now come forward and put their heart into it, the constitution of the Railway Board and the other things which are now in the melting pot will be moulded properly.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Mr. President, I am afraid I shall have to introduce some seriousness into this discussion now. The subject that has been brought up by Mr. Ranga Iyer is one of the greatest importance, and I must say that when I read the summary of the proceedings of the Consultative Committee in today's issue of the *Statesman* I began to realise the full significance of what is being proposed. What is proposed with respect to this Railway Board or rather the administration of the railways and railway policy in the future constitution in the Report of Brigadier General Hammond is of a very far-reaching character indeed. It is not a question of whether the future Assembly or the future Legislature, by whatever name it may be called, is to interfere with the minor details of the railway administration. It covers a very wide ground indeed. According to the summary of the proposals as given, it amounts to this. The first proposal is that there is to be an effective separation of the railway from the general finances. I understand that there is some sort of separation at present; but the author of the Report is not satisfied with the present state of things; he wants a completer separation than the one which exists at present. That will affect, I venture to think, the supervision of this House over the finances of the railways. That is one.

Then the Constitution Act, I understand, is to provide that the goods rates and the passenger rates, all questions relating to them—very important questions indeed—are to be transferred to an independent tribunal. As I understand it this means a tribunal independent of the Legislature; that is to say, the Legislature will have nothing by way of control or

supervision to exercise over the proceedings of this independent tribunal. What would be the effect of it? The effect would be that on all these vital questions of freights and passenger rates, this Assembly will have nothing to say, and an independent tribunal will determine finally and conclusively all these matters of great public concern. In this House time after time complaints have been made that the freights that prevail on some parts of the railway system in India are extremely detrimental to the movements of goods, with the result that foreign goods that come thousands of miles across the seas are able to compete to the disadvantage of the products of the country. All this is to be taken out from the purview of the future Legislature.

The next proposal is that the Board is to consist of members representing commerce, industry, banking, agriculture and manufacture. Supposing each of these interests is represented by one member, that means at least five members; there may be more, but there will be at least five members. That, again, is one of the questions in which the Assembly has shown a great deal of interest, in the interests of economy. It is also therefore to be provided that the Assembly will hereafter have no voice in that.

Perhaps what is most important of all, it is to be laid down that the general policy is to be controlled by the Legislature, and I take it the implication is, not the administration. But it goes on further to provide that the Constitution Act itself will lay down the policy regarding provision for depreciation, maximum and minimum contributions to the Reserve Fund, provision for interest, sinking fund charges, contribution to general revenues, and the disposal of surplus profits. May I ask what is left? The whole field is covered—at any rate the most important portion of it,—that is to say, while the Legislature is given formal control over the policy of the future statutory Board, the Legislature can have nothing to say as regards these matters which involve most important questions of policy regarding the railway administration.

Thus, so far as policy is concerned, that is practically to be removed from the purview of the future Legislature. Then, the administration is not to be criticised—let alone the minor details of administration. I may say at once that I am entirely in agreement with my Honourable friend, Mr. Ranga Iyer, in so far as he says that this Legislature or any popular assembly like this, should not go into questions of detail in the administration of railways. Why railways alone? I go further. The Assembly is not in a position—no popular assembly is in a position—to examine the details of administration of any department of Government; and have we really ever presumed to do that? Then, why should railways be placed on a pedestal higher than the Government of India itself? Do you mean to say that this Assembly is expected to criticise in detail the administration of any department of the Government of India or they have ever professed to act on that basis? Most certainly not. Then why this discrimination in the case of railways? Is there anything so sacrosanct, something so peculiar about the railways that such a restriction must be laid down specifically in the statute? No. The object is apparent and is perfectly clear, from the provisions that the Report suggests should be laid down in the Constitution Act, and that is that railways should be removed entirely from the control of the Legislature. Is that a policy we are going to sanction?

[Sir Abdur Rahim.]

We do not know—and really it is very difficult to find out, it is almost impossible to find out—what goes on in the Consultative Committee; a certain communiqué is issued or some sort of official report is published, but the public have no access to its proceedings, and from these communiqués the public have to make the best estimate they can of what goes on there. In the most vital matters we are left absolutely in the dark. It is said the members are divided. How are they divided? There are members and members in every Assembly and in every body. Is it not in the interest of the public that we should know who are the members who hold one view and who are the members who hold a different view and what are their reasons in support of particular views?

We cannot find any such information from what appears in the papers regarding the proceedings of the Consultative Committee. We are entirely in the dark, and the language that was used yesterday as to the surreptitious manner in which the subject has been introduced and the whole thing is being dealt with is fully justified. Sir, this question of railways is not the only matter; the whole proceedings are like that. Now, what has been the sum total of all this? The result has been, as is announced by the *Statesman*, that since no agreement could be arrived at, His Majesty's Government will decide.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): That is the best solution.

Sir Abdur Rahim: And that is the conclusion reached at every important step as the result of the deliberations of the Consultative Committee. I have noticed that on all important and vital questions the decision arrived at has been that His Majesty's Government will decide. Sir, His Majesty's Government will ultimately decide; we all know it; there is no doubt about it; but what is the good then of wasting all this money? Let us see what has happened, what is the sum total? It is said that there is one general proposition which appears to have been generally agreed to as a result of yesterday's deliberations of the Consultative Committee, and it is this, that defence, finance, public services and Anglo-Indian community ("Hear, hear" from the Nationalist Benches) will continue to be subjects of parliamentary concern, and I take it, though it is not quite clear, that the railways, if they will not be subject to the control of Parliament, will be the concern of a statutory body, over whose actions this Legislature will have no real or effective control. The picture then is this, that in the general field of Government activity, whatever questions arise, all important issues are going to be decided by His Majesty's Government, because the members of the Consultative Committee are divided on the subject, because there is no unanimity amongst them. As regards other matters, railways for instance, which we are discussing now, they are to be handed over to a statutory body, and are to be removed from the purview of the future Legislature. If railways are to be so dealt with then possibly the Posts and Telegraphs will also be taken over by another statutory body and this House will have no real control over such important departments.

There is another matter, Sir, that I should like to mention. I find there are certain Muhammadan gentlemen who are members of the

Consultative Committee, and it appears that Mr. Zaffarullah Khan, whom I have not the privilege of knowing personally, but who, I understand, is a young man of ability, is a member of that Consultative Committee. It is stated by him that it has been decided by his Muslim colleagues that they would not take any part, or at any rate any definite part, in the deliberations of this and similar Committees until certain questions called communal questions have been settled by His Majesty's Government and an announcement is made to that effect. That, Sir, is a decision of which one heard when the second Conference was sitting in London. Now, what has been the result? What is the effect of a decision like this? The result is we do not know the views of the Muslim members of the Conference and of its various Committees on important questions affecting the entire constitution of the country. It is an obvious truth that what is good or bad for the whole of India must necessarily be good or bad for the 70 or 72 millions of Muhammadans of India ("Hear, hear" from the Nationalist Benches), and equally what is good or bad for 72 millions of Muhammadans, must necessarily be good or bad for the rest of the country . . . .

Mr. K. Ahmed: Not always, Sir. (Laughter.)

Sir Abdur Rahim: Sir, I take it that this is obvious, because the 70 million Muslims are a part of India. Then what is the result? These gentlemen, some of whom occupy prominent positions in public life, have sealed their lips throughout but the Secretary of State announced the day before yesterday that he was not going to make any announcement on the questions referred to him or to the British Government until the whole deliberations are closed. Sir, speaking for myself, I never thought that there could be any announcement in the meantime. Then do these gentlemen expect that when the deliberations are all over,—I suppose they must expect—that they will have a further opportunity of reviewing the whole thing . . . .

Mr. A. H. Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Yes, that is so.

Sir Abdur Rahim: Then the Honourable Member will be very much disappointed, as indeed he has been disappointed already.

Mr. A. H. Ghuznavi: I think the Honourable Member himself will be very much disappointed.

Sir Abdur Rahim: Sir, is it to be conceived for one moment that the whole of the proceedings will be rehearsed and recited for the benefit of these gentlemen? If the Honourable Member really believes that, he is under a great delusion.

Mr. A. H. Ghuznavi: That is the arrangement; it is not a question of belief.

Sir Abdur Rahim: The arrangement was—I did not want to mention it—but I read about it in the Press, that these gentlemen decided not to take any further part in the proceedings.

Mr. A. H. Ghuznavi: That is not so.

Sir Abdur Rahim: That is the report that came out, and the Honourable Member's name was prominently mentioned in that connection.

Sir, I am not speaking in anger, but I must say this that in the result so many Muhammadan delegates have had no opportunity to say anything regarding the biggest and most comprehensive constitutional issues affecting the future of the country. That is the position, Sir, in which they have landed themselves by what I must say was a hasty decision . . . .

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): May I ask the Honourable Member what is the remedy that he proposes?

Sir Abdur Rahim: The remedy which I propose, or rather the attitude which I suggest, they should have taken up, was that they should have gone on with the deliberations throughout; they should have played their fullest part and made the utmost contribution they could make to the shaping of the future constitution, and if at the end they found that on some vital matters in which the community was interested their voice was unheeded and the result arrived at was injurious to the community, then it was time for them to non-co-operate.

Maulvi Muhammad Shafee Daoodi: Is the Honourable gentleman aware that the Muslim community has given a mandate to the members of the Round Table Conference not to discuss central responsibility unless and until the communal question is decided?

Sir Abdullah Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): Does the Honourable the Leader of the Independent Party claim to be the spokesman of the Muslim community?

Sir Abdur Rahim: I am entitled to speak for my community at least just as much as any other Honourable Members who claim to speak on their behalf. ("Hear, hear" from the Nationalist and Independent Benches.) Every one knows that. But, Sir, what we are concerned with now, is not the question whether the Muslim members of the Consultative Committee are or are not entitled to represent the Muslim community. That is not the question. Let any impartial man, let any man who really understands the political situation, who knows how things are done—let him say whether the step which they have taken is for the benefit of the country or their own community. It cannot be for any body's benefit. I do not say that the decision of the British Government on the communal question or on any other question will not be right. That is not the point before us. The question is whether these gentlemen should or should not have made the contribution they were in a position to make to the solution of all these difficulties. That is the question. As regards my Honourable friend Maulvi Shafee Daoodi, I heard a rumour that he had resigned because the proceedings of the second Conference were not at all satisfactory to him.

Maulvi Muhammad Shafee Daoodi: On a point of order, Sir, I do not know how this question comes up here. I was going to ask whether the Honourable Member recognises the voice of an organised body in his community as the voice of the Muslims or not.

An Honourable Member: How is that a point of order?

Maulvi Muhammad Shafee Daoodi: I do not know why personalities should come in when questions of principle are discussed.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): It appears to the Chair that the discussion has, since this morning, drifted away from the main issue that is before the House. The main issue is the present Railway Board and its future constitution, and any points relevant to that issue can be debated. Incidentally, the discussion which took place at the Consultative Committee in regard to the future constitution of the Railway Board may be regarded as relevant. The Chair trusts that Honourable Members will restrict themselves to the issue that is now under the consideration of the House.

Sir Abdur Rahim: I only raised this question as I wanted to know the views of the Mussalman members on that Committee. That was all. We are not able to ascertain the views of the Honourable Members who are members of that Committee.

Mr. B. Das (Orissa Division: Non-Muhammadan): They had no views. Their brains were empty. (Laughter.)

Sir Abdur Rahim: I do not think it will be necessary for me to take up more time of the House in this connection but I should like to say one word more. I did not want to make the slightest personal reflection on my Honourable friend Maulvi Shafee Daoodi or anybody else.

Mr. K. Ahmed: Leave them alone. Go on with the Railway Budget.

Sir Abdur Rahim: I am sorry that he should have understood what I said in that light. I certainly disclaim any such intention; I have much respect for him, he is a valued member, an important member of my Party and I should be the last person to make any personal reflection upon him. I simply mentioned a rumour that I had heard because of what he had said on the floor of this House. Sir, I do not know what is the exact issue that has been placed by my Honourable friend Mr. Ranga Iyer before this House—whether we should accept the recommendations of Brigadier General Hammond . . .

Mr. C. S. Ranga Iyer: I differ from him completely.

Sir Abdur Rahim: .....or not. I understand my Honourable friend to say that we ought not to accept those recommendations. Then, in that case, he and we are really at one and there is no disagreement among us. I take it therefore that almost every one on this side of the House at any rate is convinced that any policy or any enactment, such as is proposed by Brigadier General Hammond, will not be acceptable to the people of the country, at any rate so far as we represent the people of this country. (Applause.)

Sir Edgar Wood (Madras European): Mr. President, I do not know if the Honourable the Mover of this motion Mr. Ranga Iyer will welcome support from these Benches, but generally speaking he has it. He can of course escape from the embarrassment of being coupled with these

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Benches by withdrawing the motion before division! I interpret his position to be that there should be control by the Legislature in matters only of policy and capital expenditure; and of course the right of criticism would be there; but not in the matter of day-to-day administration. I think his idea is really embodied in his expression that the railways should be kept free from political control. The intention of those who disagree with him is probably not to go so far as control over rates, though the last speaker Sir Abdur Rahim apparently holds a contrary view. Of course, it would be extremely easy for a Party to be popular in the Assembly by voting for an enhancement of railway rates instead of for imposing additional taxation. That would be too easy, but that is exactly the sort of thing which might happen and it would be disastrous to the country. I dare say that Honourable Members who are opposed to this motion are aiming at Government having some sort of control over appointments to the railways and possibly control over appointments on the Board itself. That would constitute indirect control of the Board's executive actions; it must be so in practice. I am as jealous as any one of the rights of this House, but surely it is a little beneath the dignity of this House to interest itself in more than broad outlines of policy and control. I think that will be agreed, and if that is accepted, it must necessarily follow that the statutory Railway Board, like other provisions, should be created by the Statute of Constitution and not left in such an uncertain position that local political disagreements might jeopardise its actual existence from the start, or if started might cramp its actions. I do not think any body of this sort can work independently and fearlessly with such a possibility in sight. I hold, though I do not know if my Honourable colleagues on these Benches agree with me, that on any Board which is created, the public should be adequately represented, and this Honourable House.

Mr. S. C. Mitra: Why do you want to take it out of the hands of the Assembly? Was it abused in the past?

Sir Edgar Wood: I think we should remember that any clause of a constitution which is objected to *universally* can be altered or brought into disuse. There is no getting away from that fact, that a really objectionable clause in a constitution can be altered if the demand is sufficiently widespread and that it would remain virtually within the powers of this country eventually to alter portions of the statute with which it was out of agreement.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Will the Honourable Member state as to who gave him this undertaking

Sir Edgar Wood: I think the Honourable Member must realise that in all constitutions, in the matter of convention or actual alteration of the constitution, the will of the people prevails ultimately.

We must not forget that on the cheap and efficient working of the railways depends the development of the country. This is vital to the country and it is only by commercialisation of the railways—and it is impossible to have effective commercialisation of the railways if there is legislative control of the administration—that cheapness of transport can be assured.

Some criticisms have been levelled at the present Railway Board. I was rather surprised to hear so many adverse remarks, but I think these remarks if analysed contain very little substance. Most of them indeed contain no substance at all and are merely a statement of opinion.

Mr. B. Das: They are based on facts.

Sir Edgar Wood: Adverse criticism it seems to me is very often closely connected with efficiency because efficiency usually means that some one does not quite get his own way! My Honourable friend Mr. Chetty did refer to the question of rates and the fact that there had been dissatisfaction in the past over this very complicated question. The Rates Advisory Committee has latterly assisted to some extent in that matter, and I think from our experience of that Committee, we should be perfectly justified in expecting that in the new provisions for a Board, some sort of Rates Advisory Committee should be provided, in which the public will have a large voice. (*An Honourable Member:* That Committee is already in existence. What has it done?")

Mr. S. C. Mitra: What is wrong with the present system?

Sir Edgar Wood: Looking back at the history of the Railway Board, one can say that the policy of development has been very marked since the Railway Board came into being and a great many abuses have been removed; and I know of some Administrations which have been improved beyond all recognition. Local Advisory Boards have been introduced and they have done excellent work. That is only one of the small things, but it shows the policy of introducing the public into matters of administration.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Without any functions?

Sir Edgar Wood: I have had considerable experience of these Boards for a number of years, and I have found that those who came with grievances have either received very adequate answers as to why their grievances cannot be met, or their grievances have been met. I have not known of a single instance where grievances represented to the Boards have not had proper attention.

Mr. Lalchand Navalrai: My personal experience is different.

Mr. S. C. Mitra: There is a difference between an Indian Member and an European Member.

Sir Edgar Wood: I think the public has been extremely fortunate in the personnel of the Railway Board.

Mr. K. Ahmed: Why do not the public support it?

Sir Edgar Wood: My friend has had his innings and I do not propose to give way to him. I consider that the Railway Board has served the public very faithfully. The main complaint about the Board that I have heard is that they give too much attention to details. I am rather inclined

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to think that it is because people like my friend Sir Henry Gidney bombard them with innumerable questions and keep the Board busy with microscopic details which take up some of the time which should be devoted to general policy.

I did not quite understand why my Honourable friend Mr. Chetty felt regret about the Report of Brigadier General Hammond. The R. T. C. (Interruption by Mr. K. Ahmed)—my friend Mr. Kabir-ud-din Ahmed was not on the Round Table Conference, the accommodation there was limited (Laughter)—the Round Table Conference expressed views about general policy and asked for data to enable them to get on with the details for a Board.

Mr. President: I should like to know how long the Honourable Member is likely to take?

Sir Edgar Wood: About three minutes more, Sir, I shall be very brief. The Round Table Conference asked for data regarding Railway Control Board, and I hold that it was not for Government to set up a committee in India to search for data, because a committee in India would have proved abortive; and I do hold that Government secured a most valuable report at a minimum of expense. So far as I am aware the Round Table Conference did not receive this Report before it left England and was therefore unable to examine the question any further; and it shows what a body of matured wisdom it was in that it refrained from formulating any opinions until it had very extensive data upon which to proceed. I personally saw that Report only yesterday. I take it that it is now for the Consultative Committee—or possibly it is too late for that Committee—or for the Round Table Conference or for an independent *ad hoc* committee—which personally I am inclined to think would suit everybody's wishes—to go further into this matter of recommending the best type of statutory Railway Board. It is a detail, in my opinion, as to who exactly is to examine the question further and make recommendations and I support generally the views of my Honourable friend the Mover.

The Assembly then adjourned for Lunch till Twenty Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes Past Two of the Clock, Mr. President in the Chair.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, in the first place, I must enter my protest along with my friend Sir Abdur Rahim that a question raising such an important constitutional issue should not have been left to be raised on this side of the House in a mere cut upon one item of the Budget and that the Government, if they wanted to consult this side of the House as to the course to follow in connection with the future constitution of the Railway Board and its functions, should have tabled a Resolution and formally come before this House for obtaining its views. As it is, Sir, I feel that now that the

debate has proceeded so far, we should be guilty of dereliction of our duty if we did not let the occupants of the Treasury Benches know as to what we on this side of the House feel upon the question that has been raised. Honourable Members will remember that this question was first adumbrated in the Government of India despatch on the reforms, and in para. 192 of their despatch they wrote as follows:

"The purposes in which Parliament must, we think, continue to be interested so far as the railways are concerned fall under the heads of defence, finance, the services and the Anglo-Indian community."

It is in consequence of this despatch of the Government of India that the Round Table Conference went into the question of the future constitution of the Indian Railway Board and it is in consequence of their Resolution that Brigadier-General Hammond was appointed to investigate the question and report to Government upon the feasibility of adopting all or any of the proposals of the Government of India. If the newspapers of the day have reported correctly, I find that this question was a subject-matter of a debate and decision in the Consultative Committee that held its sitting yesterday. Sir, the question would not have been so important as it has become were it not for the fact that a cumulative volume of opinion is being gathered in from various quarters to make it a *fait accompli* that the despatch of the Government of India may become as regards the future constitution of the Railway Board. Brigadier-General Hammond in his recommendation, and I would particularly draw the attention of the House to paragraph 111 of his recommendation printed at page 51 of his Memorandum. lays down as follows:

"The general policy to be followed by the Railways, it is agreed, should be controlled by the Legislature, subject to such checks as it may be considered necessary to give to the Governor-General for the purposes in which the British Parliament will continue to be interested. Many of the main lines of this policy could, it appears to me, be quite suitably laid down in advance such as the instructions as to the manner in which provision is to be made for depreciation, the limits, both maximum, and minimum, of the amounts to be set aside for reserves, the use and disposal of these funds as well as of any provident or other funds, the proportion of these that must be invested and the method of investment, the interest and sinking fund charges which the Railways have to meet against the capital at their charge, the amount which the Railways will be expected to pay over to general revenues in excess of this and the disposal of any surplus which may remain."

Honourable Members will find that the real genesis of this discussion arose from the fact that the investors in the British railways are now finding their investments coming to a vanishing point. Let me draw the attention of the Honourable Members to a passage which I find from a book written by Mr. Ray Morris in which he says this: It is on pages 252 and 253:

"In any business, as soon as non-productive work is charged to capital account, an unsound condition is created, and the British railroads now find themselves saddled with enormously high fixed capital charges which must be met annually, while these charges tend, on the whole to increase somewhat faster than the surplus earnings increase. Consequently, old railroad shares which have been regarded as the strongest kind of securities by their holders, have been falling off severely in value during the last ten years; the average dividend rate has declined, and the British railroad system, as a whole, seems to be drifting very slowly but quite surely towards final insolvency."

These are the investors who have invested in the Indian railway stock and naturally they are apprehensive that the fate of their investments in the

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English railway security might be equalled by the fate that might overtake them in regard to their Indian railway stock. That apprehension has been voiced, though not in too vocal terms, by my friend Sir Edgar Wood, when he wants that the new Constitution Act relating to the future Government of India must provide for the establishment of a statutory Railway Board. We, on this side of the House, therefore, have to express our views whether we are in agreement with our friends who occupy the European Benches that the constitution of the new Railway Board should be an integral part of the Constitution Act. Sir, the question would be a simple one, indeed nothing could have been simpler were it not for the fact that any constitution enacted by the British Parliament, so far as I can see, would not be subject to revision or amendment by the Indian Parliament that is to be. If the constitution were to give the Government and the Parliament in India the power which the Dominion Parliaments now enjoy under the Statute of Westminster of repealing and amending any of the statutes passed by the British Parliament, the position would be and would have become a simpler one. But, if we are to assume that for sometime to come, nay perhaps for a long time to come, the paramountcy of the British Parliament would be postulated in the future constitution of this country, then, I think we, on this side of the House, have just reason for apprehending that anything that finds a place in the Constitution Act would bind the future Government of India and the Indian Parliament. If that be the case, I would ask this side of the House, and indeed, all sides of the House, to consider that with such a limited constitution, the Parliament of India will only have the power of legislation subject to the paramountcy of the British Parliament, and would that be in consonance with the repeated promises of the British Cabinet and of the Imperial Conference? But that question apart, we have to apply our minds to the narrower question before us; are we in favour of permitting the British Parliament to insert in the Constitution Act a reservation in favour of itself the right to determine to what extent the Indian Legislature would control not only the policy but the administration of the Indian railways? Judging from the recommendations of Brigadier-General Hammond it would seem that the new Board would be given such powers that we will not have even the privilege of voting the supplies to the railways from year to year as we have been doing under the present constitution. In other words, the future constitution of India would be narrower on this point than the present constitution under the Reforms Act of 1919. Lest I should have misunderstood him let me give you his exact words, culled from paragraph 114 at page 53 of his Memorandum. He says:

"The new Board would thus enjoy generally the powers of administration now possessed by the present Board together with the detailed powers over railway finance now exercised by the Finance Department, subject to any limitations which it might be considered advisable to leave in the hands of the Governor General."

Mark the words "Governor General", it is not Governor General in Council.

"They would present annually to the Legislature through the appropriate Member a full report and accounts, and, in addition to discussion on this, railway policy would come up for review in the Legislature on the contribution from the railways to the General Budget as well as on proposals for borrowing or for new construction."

This is the recommendation of Brigadier-General Hammond to the Secretary of State in response to the invitation of the Government of India and in

consonance with the policy which the Government of India formulated in their Reforms Despatch on the close of the Simon Commission. In this connection let me point out to this House that the recommendations of the Simon Commission were extremely narrow and unsatisfactory, and the people of India, therefore, revolted against the acceptance of any constitution based upon those recommendations.

Mr. K. Ahmed: But you co-operated.

Sir Hari Singh Gour: I may further point out that the Government of India in their despatch were then dealing with the narrow recommendations of the Simon Commission. They had not before them the prospect of a Round Table Conference, and of the larger measure of responsibility which became established as a result of that Conference a year ago. Therefore, I submit that all that the Government of India may have written in their Reforms Despatch must now be voted as entirely out of date. But in spite of that fact I still find that that despatch of the Government of India seems to be ever green and that so far as railway administration is concerned a serious examination is now taking place as to whether reservations on the four subjects which the Government of India recommended should or should not be made. I, therefore, feel constrained briefly to take the House into confidence and point out as to what these reservations mean and imply.

Let me take these recommendations in order. We have in the first place reservations classed under the head, defence. It is pointed out in the despatch of the Government of India that there had been losses on the strategic railways. Only the other day the Honourable the Commerce Member when presenting the Railway Budget pointed out to this House that the losses on strategic lines would amount to two crores. They have been more in years past, and the apprehension of the Government of India is whether these recurring losses on the strategic railways would be swallowed by the Indian Legislature without calling the Government to strict account. It may be that the future Parliament of India might ask the military authorities in this country to transfer the losses on the strategic lines from the civil to the military side of expenditure. Therefore that question as to whether these losses on strategic railways should or should not come within the comprehensive survey of the future Parliament of this country is a vital question, and I would say to this House that if you have a statutory Board enacted by an Act of Parliament and made a part of the Constitution Act you will be confronted with the difficulty that the only powers which you will be free to exercise will be such powers as are given you by the express terms of the Act of Parliament and all residuary powers will remain vested in the British Parliament. That would be the limited constitution which I foresee in view of the enquiries made and the recommendations proceeding either from the Consultative Committee or the expert advisers of the Secretary of State.

The next point to which reference has been made in the Government of India despatch is a very important one, namely, the question of finance. Now, it is on this point that the Europeans in this country and the British investing public naturally feel some anxiety as to the future of their investments and I, for one, sympathise with them when they ask the Secretary of State and those responsible for drawing up the future constitution of this country as to the security the future constitution would give them,

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security as regards return of their capital and guaranteed interest thereon. On this point I would draw the attention of the House to a statement contained in the Report of the Round Table Conference, Second Session, pages 25 and 26. On page 26 we find the following passage:

"Even as regards the productive assets included in the Memorandum, it will be observed that the figure against Railways, for instance, is not an estimate of their actual commercial value as a going concern, but represents merely the capital invested. The Railway proceeds in a normal year are sufficient for the payment of a contribution to general revenues of over 5 crores, in addition to meeting the whole of the interest charges on the railway debt. The capitalised value of this additional profit, though it cannot be estimated with exactitude, might well amount to as much as Rs. 100 crores."

Another passage worth quoting from this Report occurs at page 25:

"The borrowings of Government are, in the nature of things, not restricted to what is required for investment in commercial or productive undertakings, and it is probable that no important country, even at the time of its fullest prosperity, has been in a position to show the whole of its debt as covered by assets of this nature. It would be absurd to suggest that every country has therefore been continuously insolvent, as would be the case of a commercial company which showed a deficiency of assets in comparison with liabilities. A country's borrowing is conducted on the security of its credit and of its revenues, actual and potential."

The position, therefore so far as we are concerned, is this. The capital borrowings of the Government of India, commercial and non-commercial, are secured by the revenues, present and future, of this country, and if you are to earmark the capital invested in the railways as coming within the exclusive jurisdiction of the statutory Railway Board, you would be dividing up that general financial control which the Government of India exercises over the various departments including the railways. Brigadier-General Hammond would withdraw from the Finance Member the control which he now exercises over the railway finances and vest that control in the statutory body I have mentioned. Sir, so far as the European investors in the Indian stock are concerned there cannot be any shadow of doubt, as is pointed out in this Report of the Round Table Conference, that they are amply secured, and whatever may be the constitution of the future Government of this country there is not the slightest doubt that so far as their investments in this country are concerned, they are amply covered by the assets of the Government of India. Why then do they want a provision inserted in the Constitution Act transferring the real responsibility in respect of railways from the Parliament of India to a statutory Railway Board? Sir, I feel that if you were to treat the finances of this country in water-tight compartments, Railway and General, you would be dividing the responsibility which could not be conducive to the better government of this country. And I therefore submit that so far as we on this side of the House are concerned, we must resist with all the emphasis we can command any encroachment upon the rights and privileges of this Chamber and of its future successors.

I turn lastly to the services. So far as the services are concerned, these services are naturally connected with the claims of the Anglo-Indian community. There is no doubt that there is some apprehension on the part of Europeans and Anglo-Indians that in the future constitution they may not be able to have the lion's share of the loaves and fishes which they have been hitherto enjoying. My friend, Mr. S. C. Mitra, the other day read to you a long table of representation of the various communities. Sir, I have summed up the result of the four State-managed railways,

the Eastern Bengal Railway, the East Indian Railway, the Great Indian Peninsula Railway and the North Western Railway; and the result is significant. Let me give them to you. In all these railways—and I am only speaking of services drawing Rs. 150 or over—we have 1,734 Hindus, 412 Mussalmans, 2,162 Anglo-Indians, 1,758 Europeans, 286 Indian Christians, 166 Sikhs and 117 Parsis. Giving it to you in the terms of percentage, the Hindus are 26·1, *i.e.*, 1/3rd of what they are entitled to on a population basis, Muslims are 6·1, *i.e.*, 1/4th of what they are entitled to on a population basis, Anglo-Indians 32·5, *i.e.*, 30 times as much as they are entitled to on a population basis, Europeans 26·4, *i.e.*, 25 times as much as they are entitled to on a population basis. The rest of them, Indian Christians, Sikhs and Parsis, have obtained a fair representation. It is this inequality of communal representation that has been the subject of frequent allusions in this House. Both Hindus and Muslims have got a just grievance against their non-representation in the great services of the State, and if the services are to be transferred from the cognizance of this Assembly, or, indeed, of the future Federal Assembly, or by whatever name the future Parliament of India may be designated, it would perpetuate and crystallise this racial inequality against which the bulk of the community in this country have been fighting on the floor of this House and outside of it. Those who desire that the services should be taken out of the purview of the Indian Legislature do so for the purpose of preserving their privileges and rights to which on other grounds they have no justification.

Then, Sir, turning last to the Anglo-Indian community, I fail to understand what fundamental rights the Services or the Anglo-Indian community have upon the people of this country. Sir, I always believed that with regard to class, creed and nationality, following the memorable Proclamation of Queen Victoria, every person will be entitled to fair treatment and no favour. And I further believed that when the nationals of this country, the citizens of India, come into their own, they will at any rate have the same privileges which an Englishman enjoys in his own home land. Is it too much to ask that the future parliament of this country should be left free to decide as to what shall be the proportional representation in the public services of this country? But if the recommendation of the Government of India, followed up by the recommendation of Brigadier-General Hammond and followed up by the recommendations of an outside body, were to be translated into an Act of Parliament, you would be sowing the seed of that discontent against which any constitution you give to this country will afford no relief.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): With your permission, Sir . . . . . .

Sir Hari Singh Gour: I will not yield to the Honourable Member.

Lieut.-Colonel Sir Henry Gidney: On a point of personal explanation, the percentages of employment of Europeans and Anglo-Indians in Government service mentioned is not a statement of fact except may be in regard to a few jobs.

Mr. President: Order, order.

Sir Hari Singh Gour: I therefore think that so far as the Parliamentary enactment is concerned, no one on this side of the House can be divided upon

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that question; and I know that when my Honourable friend, Mr. Ranga Iyer, tabled his motion and said what he did, he never intended to convey to this House any impression that he was in favour of devolution of power not from England to India, but from India to the British Parliament.

Mr. K. Ahmed: But he is your Deputy Leader.

Mr. President: Order, order.

Sir Hari Singh Gour: These are the four-fold grounds, the fundamental pillars of the Government of India upon which the recommendation for the constitution of a statutory Board rests, and if this House is not in favour of this four-fold preservation of these four-fold rights, I think there cannot be any question about the answer which we on this side of the House would have given if the question had been raised from the Treasury Benches in the more direct form in which, I say, it should have been raised if the Government of India wished to consult this side of the House on this momentous question.

Mr. K. Ahmed: But you cannot have a vote on it.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member is constantly interrupting and thereby disturbing the proceedings; he will have to take the consequences if he continues to do so.

Mr. K. Ahmed: What is the practice in the House of Commons, Sir?

Mr. President: Order, order.

Sir Hari Singh Gour: I pass on to another question of a very important character. I do not think there is anybody in this House, let alone the elected Members, who would cast his vote in favour of reservations, such as are contemplated, in the British Parliament; but assuming for the sake or argument that the Consultative Committee's recommendations which I see printed in a communique in the *Statesman* of today's date are given effect to, what is the result? We find the following ominous passage in the recommendation of the Consultative Committee; it says: "Some of the members insisted on safeguards not only as regards defence but also in respect of finances" . . . . .

Mr. N. M. Joshi (Nominated Non-Official): May I inform the Honourable Member that this is not the conclusion of the Consultative Committee? This is only some members.

An Honourable Member: He also said "some members".

Sir Hari Singh Gour: I am just reading what I can get; I am not a member of the Consultative Committee, and therefore the only information that comes to me is such information as leaks out from that deliberative body through the medium of the Press. It says:

"Since there was no general agreement on this question it was decided to place the arguments urged on both sides before His Majesty's Government."

Is that the decision of the Consultative Committee?

Mr. N. M. Joshi: No.

Sir Hari Singh Gour: If that is the decision of the Consultative Committee, I can emphatically say that the Honourable members of that conference have signally failed to do their duty. (Opposition Cheers.) Whatever may be the differences between ourselves, whatever may be the differences between the various classes and communities, we are all united in one principle and that is that the government of this country in the next constitution should be an autonomous Government, and not a subordinate Government in any respect to the British Parliament.

Mr. K. Ahmed: Why were you not united in the Simmon Commission then?

Mr. President: If the Honourable Member continues to indulge in these interruptions he will have to take the consequences. This is the last warning the Chair wishes to give him.

Sir Hari Singh Gour: If this be the unanimous voice of this House, we would ask the Government of India to convey to His Majesty's Government in unmistakable terms that so far as the Legislative Assembly of India is concerned, it will not pause to consider any constitution that reserves to the British Parliament a right over the railways and gives to the Parliament of India only certain defined and subordinate rights. That is the first point.

Now, we pass on to the next question as to what should be the future constitution of the Railway Board. It has been decided—and if I understand aright from the newspapers—it has been decided with only two dissenting voices, that the constitution of the future Railway Board should be left to the Federal Assembly. Whether it is left to the Legislative Assembly or to the Federal Assembly, what we do desire is that the authors of the constitution of the future Railway Board should be the Indian Parliament and not any outside authority. A very large number of questions have been raised as to questions of policy and day-to-day administration. These are questions which it is premature for you and me to consider at this moment. These are questions which will come up when the Government bring forward a measure for the constitution of the Railway Board, giving the details which will be submitted to this House, and it will be impartially scrutinised clause by clause either by this House or by its accredited Select Committee. I do not wish to prejudice the discussion or the action of the Government of India by asking this House as to what extent we are prepared to assent to limitations in the matter of day-to-day administration and policy. I consider the question premature and at the present moment inopportune. I therefore refrain from criticising in detail the observations that have been made by several Honourable Members as to what should be the powers and functions of the revised Railway Board. But I venture to say this; that whatever are the powers and functions of the future Railway Board, they shall not be permitted to create an *imperium in imperio*, an independent body free from the control of the elected Members of the central Legislature. That, I submit, is the irreducible minimum, and as I read this Report of Brigadier-General Hammond, giving a summary of the various constitutions relating to railways, I find one common feature in them all; and that is that even if you

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are to accept the Canadian model which Brigadier-General Hammond recommends for acceptance, responsibility rests and ultimately rests, in the Government of the day. Let me give you what he says:

3 P.M.

"The Governor in Council may at any time vary or rescind an order or decision of the Board, but such power, I am informed, has been rarely, if ever used."

The power is a power of this House. We have had that power before the convention into which we freely entered in 1924. We parted with that power. That shows, Sir, the measure of our responsibility when we are placed in a position of responsibility. If in future the Railway Board or the Government of the country come to us and say, "We do not want any interference on the part of the Legislature in the day-to-day administration of the Railways and we desire that there should be a convention definitely renouncing those powers and delegating them to the Railway Board", I am quite sure that as the past Assembly has done, and as has this Assembly, the future Assembly could not shirk its responsibility and fail to entrust the expert body of advisers whom it has set up to discharge those powers and carry on that administration unfettered by this House in regard to the day-to-day administration. But the question of convention is a different matter altogether to placing it as a matter of statutory compulsion. What we want is that when the Railway Board is constituted, all matters of policy and all matters of day-to-day administration must be set out in detail; they should not be left to casual speeches on my part, or on the part of my friend Sir Henry Gidney to tell you as to what is a matter of policy or what is a matter of day-to-day administration. These are intricate problems upon which we should be extremely glad to rely upon the expert knowledge and experience of the Members of the Railway Board, but these are matters which, as I have submitted, must ultimately be decided by this House and this House alone, and that is the fundamental difference between ourselves and the reported decision of the Consultative Committee . . . .

Mr. N. M. Joshi: It is a gross misrepresentation of actual facts.

Mr. B. Das: If that is a gross misrepresentation, why don't you state the facts? Why don't you make a statement giving the exact position?

Sir Hari Singh Gour: Sir, I do not wish to take up the time of this House, but I should be failing in my duty if I did not warn the Government as to the strength of feeling there is on this side of the House (Applause from the Nationalist Benches) against any curtailment of its power and privileges in the new constitution. Whether you call it a statutory body or a conventional body, the future constitution of this country will only be accepted by this House and by the people whom we represent only if our position and status approximates to that of the other large self-governing Dominions in the British Commonwealth. (Applause.)

Mr. M. Maswood Ahmad: The question may now be put, Sir.

Sir Hugh Cocke (Bombay: European): Sir, this House produces great eloquence on occasions, and particularly on those occasions when there is

any suggestion that the rights and privileges of Members are being interfered with or are likely to be interfered with in the future. I make no complaint about that. The Honourable Member, the Leader of the Opposition, addressed some of his earlier remarks to these Benches, and with the tone and temper of those remarks on this occasion I find no fault, although on other occasions, I think, that perhaps he has not addressed these Benches with that sense of fairness with which he would address them if he were less carried away by his eloquence. He took the line that, as the amount sunk in railways is safeguarded by the general revenues of the country, that therefore it does not matter very much what happens to the Railway Administration, because those who have lent money, which has been used in railways, have always got the general revenues to fall back upon. Well, that seems to me to be rather a short-sighted view. This discussion has ranged over a very wide field indeed, and I think if I may say so, speaker after speaker has got away from the main point. Let us go back to the start when Mr. Ranga Iyer enunciated the principle and in spite of some speeches, which appeared to contradict that principle, I doubt very much whether many Members differed from his view; Mr. Ranga Iyer enunciated the principle that so far as the power to interfere with the day-to-day administration of the railways was concerned, it should be taken out of the hands of the Legislature, but as regards the general policy and as regards the question of capital expenditure, the rights and privileges of this House should not be interfered with. Now, Sir, if that principle is accepted, I rather fail to understand the heat and eloquence that is introduced in this debate. In paragraph 107 of his Report, Brigadier-General Hammond says this:

"The Government of India, in dealing with the necessity of separating the commercial management from the direction of policy, expresses the opinion that, 'a continuance of the present system, under which the railways are directly administered by a branch of the executive Government, would, as soon as the legislature was in a position to assert its authority, develop tendencies leading directly to inefficiency and ultimately endangering the financial result of railway working', and spoke of a system of administration 'which, while leaving to Government and the legislature the control of broad questions of policy, would locate the commercial management elsewhere'."

Do we agree with that or do we not? That is really the principle for which Mr. Ranga Iyer spoke. It is a principle which was supported by Mr. Chetty and Mr. Mody, and I think by several other speakers too. (*Some Honourable Members*: "No, no.") Some Members have been so much carried away with the question of rates and fares, and even the Leader of the Opposition went into the question of favouritism for communities in the matter of appointments and so on, that the real issue, I think, has been rather obscured. If we are in favour of a statutory body, then the railways will be in the hands of a Board much in the same way as the Port Trust today is.

Mr. S. C. Mitra: That is it. We know what power we have in the Port Trust.

Mr. K. C. Neogy: That is your game.

Sir Hugh Cocke: I suggested something which has been taken away out of the political arena and which the administrative side of the Government does not administer. Representation is accorded on the Board

[Sir Hugh Cocke.]

but apparently the indirect representation obtained is not sufficient for some Members. This motion stands or falls, I take it, by Mr. Ranga Iyer's principle.

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

Mr. K. C. Neogy: What is that principle?

Sir Hugh Cocke: I do not want to repeat what I have already said. The Honourable Member will find the motion on the paper, it is number 30, so far as the voting on this motion is concerned, I support what Mr. Ranga Iyer said, unless he is going to retract it in his reply under pressure. I support the general principle enunciated by Mr. Ranga Iyer and supported by other speakers. I do not know whether this subject is entirely relevent to the issue before us. We are here to vote supplies for the coming year. And I do not quite know what the Honourable Member in charge has got to reply to in this discussion. I do not know whether any part of the Railway Board grant for the coming year is being spent on the new constitution of the Railway Board; if not, I do not quite know why we are allowed to discuss a matter of this sort under this particular vote. But I am making no complaint under that head.

Sir Edgar Wood, speaking this morning, referred to the custom, in a new constitution, of having certain matters put in which, having regard to what has been done in the other countries of the world, may be regarded as changeable by convention. My Honourable friend, Sir Abdul Rahim, asked this morning, "Why put the railways on a pedestal higher than the Government of India?". I do not think they are to be put on a pedestal higher than the Government of India; I think they should be put on a pedestal which is fitting for a commercial organisation of their importance. If I refer to certain similar things—I may be received with acclamation or the reverse by Honourable Members—but there are certain aspects of Government in connection with finance, railways, banking, etc., which are better outside the control of the House.

Mr. S. C. Mitra: Posts and Telegraphs also.

Sir Hugh Cocke: My Honourable friend, Sir Edgar Wood, referred to the necessity of starting the new constitution on the soundest lines, and this is one of the directions—Honourable Members may have their own ideas about it, but if they study history, they will be inclined to change their views.

An Honourable Member: They have studied it.

Sir Hugh Cocke: If they have studied it, I do not think they have studied it with diligence. My Honourable friend, Sir Edgar Wood, went on to say that it was possible, having regard to the history of other constitutions, that posterity might be able to alter some of these things which were settled in the original federating Act. That I believe is a well-known fact, and because you are bringing in something in your constitution which is to start things going, it does not follow that that is to remain unchanged for ever and ever. Members here often seem to be under the impression

that they are being let in. . . . . (*An Honourable Member:* "Legislation of this House or the House of Commons?") I understand that although regulations are made when new constitutions are set up, conventions may change them when circumstances require it. Presumably that would not arise in the early days of a constitution. It is a big thing to say that everything that goes into the Act to-day will be exactly the same after 50 years. As time goes on, provided there is a universal request, things naturally tend to alter themselves in accordance with modern developments. I think that this Report by Brigadier-General Hammond, which unfortunately has not been in the hands of the House for very long, is a very valuable one as a historical document, but its object has been rather misinterpreted by some Members. The writer of this Report, General Hammond, was asked "to prepare a memorandum 'showing the advantages and disadvantages to be expected from the establishment in India of a Statutory Railway Authority as a feature in the proposed Federal Constitution'." Apparently, he was not asked for opinions, and if I had had to write it, I would have written it in a somewhat different language. Instead of saying "I include" or "I exclude" so and so, I would have put it in a way that it would be for the Round Table Conference to consider the respective advantages and disadvantages. Certainly there are one or two paragraphs which rather tend to force the conclusion of the writer upon those for whom the Report is intended. That is not the object of the Report, but its object was to present the history to those who have to consider this matter, and from that point of view I think the Report might have been differently phrased in certain respects, but that is a matter of detail He says, "I have considered and rejected the idea of an owning company". We did not want General Hammond to consider and reject the idea. The whole point was, as I understand it, he was asked by the Secretary of State to prepare a historical summary of what had happened in other countries and set out the respective advantages and disadvantages of different schemes.

As regards the further consideration of this matter, several speakers have expressed a wish for an *ad hoc* committee. I see personally no objection to that course if it is going to satisfy this House. But we are rather overburdened with committees, and it seems a pity that some sub-committee of the Round Table Conference should not be able to deal with it satisfactorily. But that is a comparatively small point. To come back to the real issue, I do submit that in starting this constitution, it is essential that we should start it on absolutely correct lines in matters of railways, banks, and so on. The Honourable the Leader of the Opposition rather hinted that these Benches are always concerned only with the money outlook and they insist that their own loans be safeguarded. But that is not the only outlook in life. India and Britain have to hammer out a new constitution for this country. It is difficult in all conscience, with the large variety of views on a large variety of questions, to arrive at a thing which is going to please everybody. That is going to prove quite impossible, and therefore there has got to be a lot of give and take, and this is one of the matters in which some will be satisfied and some will not be satisfied. If this statutory Railway Board is formed on right lines, not necessarily on lines which are favoured by every section of this House, but on lines framed with regard to the historical lessons in connection with this matter and in connection with business principles—in accordance with the speeches we have heard from experienced Members like our Deputy President and Mr. Mody—I think we should be going on right lines, and I think

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the House will be wrong to endeavour to persuade any committee or any Government to keep the railways on exactly the same basis as they are to-day. (Applause.)

Mr. K. C. Neogy: I do not mind telling the House that my attitude towards its proceedings for some time has been one of amused indifference, and for very good reasons. It is quite evident that the people outside this House do not take us seriously; it is also quite evident that the Government do not. In the important field of legislation, in matters affecting the life and liberty of the people, the authority possessed by this House has definitely passed over to the Viceroy's House. Then, in regard to the important constitutional issues that are under discussion, that have been under discussion, both in England and in India, this House has always made it a grievance that it has been consistently ignored. Take the present issue itself. While dogs have been barking in this House since yesterday, the caravan is about to reach its destination. But it is the stimulating speeches of my Honourable friends, Mr. Kabiruddin Ahmed, Sir Edgar Wood, and last but not least Sir Hugh Cocke, that have persuaded me to overcome my indifference in this matter and to claim the indulgence of the House for a few moments.

Sir, my Honourable friend, Sir Hugh Cocke, found himself in complete agreement wth my Honourable friend, Mr. Ranga Iyer, and he said he could not understand the reason of the heat generated and the eloquence caused by this debate when almost everybody had accepted the underlying principle of my Honourable friend's scheme. Now, has he taken the trouble to try and understand what that principle exactly is? I must confess that when I listened to my Honourable friend yesterday there was a good deal of misapprehension caused in my mind, but in order to do him justice, I had the full text of his speech before me and I have very carefully gone through it and I do not find anywhere in that speech any suggestion that there should be set up a statutory authority for the purposes of railway administration. Far less do I find any suggestion there that that authority, if it is ever to be established, should be set up by virtue of Parliamentary legislation. My Honourable friend, Sir Hugh Cocke, can draw any satisfaction he likes from the speech of my Honourable friend, Mr. Ranga Iyer, but I do not think my Honourable friend himself will question the correctness of the interpretation that I am putting on his speech.

Mr. C. S. Ranga Iyer: I am quite willing to state that there is no reference whatever in my speech either to the statutory Railway Board or to Parliamentary legislation. I confined myself to the token cut, namely, the future of the Railway Board and the constitutional aspect.

Mr. K. C. Neogy: Now, Sir, take another bit of evidence. My Honourable friend perhaps was a little partial to France. It may be that he is enamoured of more things than one associated with that beautiful country, and with that predeliction in favour of France, my Honourable friend has hit upon the scheme as it operates in France with regard to railway management, and recommended it to the attention of this House for consideration in connection with the future railway administration of India. Now, Sir, what is it exactly that he wanted this House to approve of by way of appointment of a superior Railway Council as it is known in France. Again I have to depend upon this Memorandum by Brig.-General

Hammond for the functions and the position occupied by this Council in France. This is what the Brigadier-General says on page 25:

"This Council is primarily an advisory body but in certain cases is said to possess executive powers."

My Honourable friend was clearly therefore asking for the appointment of an advisory committee or in other words what he was seeking to achieve is a revision of the constitution of the Central Advisory Council. I do not think that there was anything more in his mind, and just as in the case of the present Central Advisory Council it can quite well be set up by a convention by the successor of this House.

Now, Sir, reference has been made to the manner in which this very recommendation regarding the statutory railway authority came to find a place in the Reports of the Round Table Conference. I had occasion last year to give the history of the whole thing from the proceedings of the Round Table Conference itself, and it seems to me that it might be just as well to place a few salient facts with regard to that matter before the House. My Honourable Leader, Sir Hari Singh Gour, has already placed before you certain extracts from the Government of India's despatch on the Simon Commission's Report, which really gives us the genesis of this proposal. Nobody, as the House is aware, troubled himself about the Simon Commission's Report, which was already out of date by the time the Round Table Conference was assembled, and for that very reason nobody ever troubled about the Government of India's despatch on that obsolete document either. The result was that there was no discussion at any stage of the Conference or the Committees of the Conference with regard to this proposal made by the Government of India in their despatch. Then when the stage of reporting came at the Federal Structure Committee, to the surprise of all assembled, the Lord Chancellor read out just a very short sentence which ran as follows:

"In this connection (*the connection being with regard to the financial safeguards as far as I recollect*) 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 if after expert examination this course seems desirable."

Now, Sir, as soon as that draft report was read out, there were four Indian members of the Committee who one after another protested that there had been absolutely no discussion on the point and the four members were the Right Honourable Mr. Sastri, Mr. Jayakar, Mr. Jinnah and Sardar Ujjal Singh. The Lord Chancellor stated as follows:

"The subject was discussed. His Highness of Bikaner made a great number of remarks about it on one occasion and discussed the Statutory Board, and gave a long account of his own railways."

Thereupon came a disclaimer from His Highness of Bikaner in the following words:

"I never used the words statutory authority. I referred to the Railway Board exercising the functions it does now."

Moreover Mr. Jinnah said as follows:

"We definitely made a recommendation here and I doubt whether we discussed whether such a recommendation should be made."

The Lord Chancellor, who was the Chairman, said, "Very well, I will make a note of that". The result is that the recommendation still persists, and

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it has figured very largely ever since in the Round Table Conference Reports. At later stages, again when the Conference was in plenary session, some members of the Conference again raised objection that there had been no discussion with regard to this point, and that the members were not agreeable to the recommendation. Yet my Honourable friend, Sir Edgar Wood, who ought to know better, was complacently assuming that this Brigadier-General was placed on special duty at the instance of the Round Table Conference. He said that it is an irony of fate that the Report could not be considerd by the Round Table Conference itself. Now there are one or two dates that are rather interesting and instructive in this connection. This Report of the Brigadier-General is dated the 5th August, 1931, long before the Indian members of the Second Round Table Conference left the shores of India, and long before they assembled in London. The Round Table Conference went on till the end of November and this Report was not even then placed at the disposal of the members. Perhaps authorities thought that the atmosphere of the Viceroy's House was more conducive to a favourable consideration of this proposal than the atmosphere of St. James Palace. But judging from the Report that we saw in the papers this morning they have not altogether succeeded in realising their expectations, for what the much abused Consultative Committee has done is to definitely rule out the idea of Parliamentary legislation in the matter, two members dissenting, and if I may let out a secret, one of them belongs to the same community as my Honourable friend, Sir Hugh Cocke, and he is their spokesman on that Committee.

Now, Sir, my Honourable friend, Sir Hugh Cocke, has said that it is essential that the new constitution should be placed on a very sound basis, and that it is for that reason that restrictions of this character should be placed on the Indian Legislature by the British Parliament itself. Now my Honourable friend, Sir Hari Singh Gour, has already stated the four objects with which these restrictions have been intended, and I was really waiting to hear from my Honourable friend, Sir Hugh Cocke, as to whether he did approve of the four objects set out in the Government of India memorandum. He talks of commercialization, he talks of railways as being a commercial department. Sir, that is cant to which every Honourable Member sitting in that Group has given expression. Now, when the Honourable Member goes through that list of the four heads under which Parliament is likely to feel interested, as the language of the despatch goes, can the Honourable Member say honestly that those restrictions are justified by commercial principles of working railways? I admit that, from the general point of view, you may say that if defence is not going to be transferred to the control of responsible Ministers straightaway, the Governor General may want to have some sort of authority to be able to commandeer the railways in national emergencies. But what about the other things? Finance! My Honourable friend, Mr. Chetty, dealt with the question of finance,—and here I have a mild quarrel with him when he said that he wanted to enter only a "mild protest" against it. Moreover, he had nothing to say with regard to the other three items under which these restrictions are sought to be justified. "The continued employment of a minimum proportion of Europeans"! Is that, I ask, a business proposition, irrespective of the fact as to whether Europeans would cost India more than equally qualified Indians would cost, for example, for the same job? Then, again, the guarantees to the Anglo-Indian community and

the continuance of the loaves and fishes on the railways for them. (*Mr. B. Das*: "For 30 years.") That is another matter; that is Col. Sir Henry Gidney's idea; I am now proceeding on the Government of India's own recommendations. Does that sound to my Honourable friend, Sir Hugh Cocke, as a very sound principle? If he has read Brigadier-General Hammond's book and what he says with regard to the South African system, he will see that one of the complaints against the system obtaining there is that it cannot be called a strictly commercial system on the ground that for political reasons the more costly white labour has to be employed in preference to natives, and Brigadier-General Hammond says that that is not a commercial proposition. Now I would like to know from my friend, Sir Hugh Cocke,—and I am prepared to give way to him in order to enable him to give us the answer—as to whether he honestly considers this particular provision in the Government of India's despatch to be based on sound commercial principles. (*Voices*: "Silent"!) (*Mr. B. Das*: "The Honourable the Railway Member will reply to that.") I find that my Honourable friend has no reply to give us; therefore, the less he talks about commercialization the better.

Now, Sir, I come to my Honourable friend, Sir Edgar Wood. He referred to the speech made by my Honourable friend, Sir Abdur Rahim, and criticized his remarks regarding the question of the control of the Legislature over the rates and fares. He said this would be a very popular measure, but it would lead to disaster. He inclines to the view that the question of rates and fares should be entirely left to an impartial tribunal. My Honourable friend is new to the House. If he would care to go through the proceedings of this House for the past few years, he would find that if there is one question in regard to railway matters on which this House has been very insistent, it is with regard to the setting up of a properly constituted railway rates tribunal, as was recommended by the Acworth Committee, but was not given effect to by the Government. So there is no quarrel wih regard to the question of the setting up of a proper rates tribunal in this country, but my Honourable friend is not quite right when he says that the entire question of rates and fares can be left to that body. There is a good deal of difference between a rates policy and a rates structure: a rates policy is a matter which it is for the Legislature to lay down. (Hear, hear.) My Honourable friend, Mr. Ranga Iyer, himself told this House that he was anxious to see this country prosperous in the matter of industries and agriculture and he would so devise a system of railway administration as would help the industrial and agricultural development of this country. Is it for the railway Rates Tribunal to say as to what kind of rates should be granted to agricultural produce and to manufactured commodities? Or is it not for this House to lay down the policy—of course in a very broad manner—which this Assembly or its successor would like to be adopted in this connection, and within the limits of which policy it would be left to the Rates Tribunal to fix and operate the rates? Sir, my Honourable friend Sir Edgar Wood, also referred to the policy of development that characterised the railway administration during the last few years. My Honourable friend has every reason to be pleased with that development, but those who have taken care to study the financial results of the railways, and those particularly who have studied the facts and figures laid before the Assembly in the Report of the Retrenchment Committee, would hesitate to accept the proposition that, because the

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railway policy has been one of break-neck development, it has necessarily led to financial efficiency or stability. I do not want to go into the details of this question because it opens up a very contentious and vast field of discussion, but, Sir, I would like my Honourable friend to refer to the debates that took place in this House, particularly in the year 1927. He will find that an exhaustive summary was given of the nature of the questions that were being asked in the House of Commons and the pressure that was being exerted in the British Parliament for speeding up the Indian railway programme, for the purpose of relieving unemployment in Great Britain. (Hear, hear.) I do not want to take up more time, Sir, than I can help, and I am not going to repeat all that was said in this House on the 22nd of February, 1927, in illustration of the attitude of the House of Commons in this matter; I may just refer to one statement made by a very responsible Member of the British Parliament, a British *Ex*-Minister, Sir Alfred Mond as he then was. He said:

"When I was Chairman of the Cabinet Unemployment Committee, a scheme was put forward and was under consideration by which by the use of the Indian Government credit, supplemented by our own, we could obtain orders for the Indian railway programme."

Then Earl Winterton, the Under-Secretary of State for India, tried to reassure the House that all that was possible to be done was being done. It is little wonder therefore that my Honourable friends should try to secure to the British Houses of Parliament the control which they seek to take away from the Indian Parliament on the score that political interference is bad for the management of a commercial undertaking. My Honourable friend's interpretation of the word "politics" does not appear to be the same as mine when British "politics" is concerned and when the interference is made in the House of Commons on political grounds.

Sir Edgar Wood: On a point of personal explanation, Sir. I never suggested in the slightest degree, so far as I am aware, that there should be control of the Railway Board by the British Parliament. It is something quite new to me.

Mr. K. C. Neogy: My friend's suggestion went much further than that. It showed that he had greater confidence in the British Parliament to see that the favoured position of the Britishers continued, than he had in the Indian Legislature.

Sir Edgar Wood: Then the Honourable Member admits that his previous statement was incorrect, I take it.

Mr. K. C. Neogy: I say he goes much further. That is to say, he wants a permanent measure to be placed on the Statute-book by the British Parliament, which has been so very partial to the interests of his own countrymen, for the purpose of taking away the control from India, on the ground that it will lead to political interference, as if this was not so already.

Now, Sir, one more reference to the proceedings of that date and I have done. Sir Charles Innes, when he was Member-in-charge of Commerce, had an occasion to attend the Imperial Economic Conference in the year 1923, and I find that my Honourable friend Sir George Rainy is going to follow in his footsteps. When Sir Charles Innes attended the Imperial Economic Conference, he was confronted with pressing demands that the Indian railway development should be speeded up and that England should get more and more of the Indian orders. He had to give some sort of assurance on that point, and when I drew the attention of the Honourable gentleman, who is now the Governor of Burma, to this fact, this is what he stated:

"Mr. Neogy referred to what I said at the Imperial Economic Conference in 1923 I wonder if Mr. Neogy realises the atmosphere of a conference of that kind and the difficulties that one has when one is in a conference of that kind. After all, we officers who serve India are anxious for nothing so much as that the name of India should stand high in the councils of the Empire; and I hope the House will realise that when, in a conference like that you have the Premiers of all the Dominions, all the Dominion Prime Ministers agreeing to a thing of this kind, it is very difficult for the representative of India at once to say 'I will not do it'."

Now, Sir, that shows the kind of commercial system that we have had so long in the administration of the railways, and I do not wonder that my Honourable friends of the European Group are so much enamoured of the continuance of this favoured system under which their countrymen derive so much benefit that they should insist on depriving the Indian Legislature of effective control.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Sir, the Honourable the last speaker, who is a Nationalist, said that the Honourable the Mover suggested no Statutory Board or anything like a Statutory body as under the French system. Well, if my Honourable friend is correct, then the Honourable the Leader of the Nationalist Party has been all along creating difficulties for the sole purpose of conquering them. The Honourable the Leader of the Nationalist Party said that the present discussion was premature and inopportune. However, the heated argument that he has addressed to this House completely proves that the present discussion is most pressing and most opportune. My Honourable friend Mr. Jagan Nath Aggarwal talked of his suspicions and his alarms. I think it would be natural for him to entertain suspicions and alarms when he hears the Honourable the Deputy Leader of the Nationalist Party suggesting the curtailment of the powers of the future Indian Legislature. However, Sir, there are more reasons than one to show that this House ought to be grateful to my Honourable friend, Mr. Ranga Iyer, for bringing this important topic up for discussion on the floor of this House here and now. Sir, it is said that our constitution is going to be democratised. The inherent tendency of all young democracies is to usurp the ordinary functions of the administrative authorities, and it is a service which Mr. Ranga Iyer has rendered to this House as well as to the country, by bringing to the notice of this House the necessity of taking account of the danger which the young democracy of India will be running if measures are not taken in time to see that it does not usurp the functions of the administrative authority. Sir, I have said that all young democracies have exhibited this tendency, and I would instance simply the case of France. During the second and third year of the First French Republic, the French Legislature had monopolised all administrative activities of the country to such an extent that France was governed by no Government at all but by its Legislature alone. You find the French Convention instituting committees from among its own members for the army, for agriculture, for communications and roads,

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etc. That usurpation of the functions of the administrative authorities resulted in a financial chaos and what is called the reign of assignats. The distrust and the jealousy with which the young democracy of the United States of America regarded the Executive is only a matter of history, and I do not want to give any details about it. Sir, in the present times we have got instances in the democracy of Russia and in the democracy of Spain and in the democracy of the Free State of Ireland with its notorious Shannon River Electric scheme. I submit it is therefore quite apparent that there is a real danger of the future proposed Legislature of India attempting to usurp the administrative functions of the administrative authorities, more especially so in the case of railways. As far back as 1921 the Acworth Committee warned us of the danger of mixing politics with railways and they said that, "Railways would corrupt Politics, Politics would corrupt Railways", and if I may say so, the ocular demonstation of the truth of that dictum was furnished by the debate in this House which took place for the last two days on the question of Indianisation. If my Honourable friend, Mr. Maswood Ahmad, were a Member of the predominant party in the future Legislative Assembly of India, to him Indianisation would mean more employment for Muslims.

Mr. M. Maswood Ahmad: No, no, Parsis.

Mr. N. N. Anklesaria: To my Honourable friend, Mr. DeSouza, Indianisation would mean more employment for Indian Christians, and last but not least to my Honourable friend Sir Henry Gidney the word Indianisation has quite a different signification. In fact in 1924 he actually complained that Indianisation to him means Ex-Anglo-Indianisation.

Mr. M. Maswood Ahmad: What would it mean for you?

Mr. N. N. Anklesaria: I am classed among the Hindus. Another example of this danger of leaving politicians to control the administration of railways is furnished by the instance cited by my Honourable friend Mr. Neogy. It is said that the policy with regard to rates must rest with the Legislature. Just imagine if my Honourable friend Sir Vasudeva were the Leader of the predominant party in this House. Would it not be natural to suppose, then, that the rates for agricultural produce would go down and the rates for manufactured produce would go up?

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): That applies to every Parliament in the world.

Mr. N. N. Anklesaria: That is what I am pointing out.

Sir Abdullah Suhrawardy: What will happen if you were the Leader of the predominant party?

Mr. N. N. Anklesaria: I would do justice to the different communities in India. The Honourable Member has signalised the danger of the interference of the Legislature in railway matters but he did not suggest any

specific scheme. He, however, cited the illustrations of foreign countries, and I take it he wanted this House to gather his views from a consideration of those instances. I am afraid in the choice of those instances the Honourable the Mover was singularly unhappy. If he suggested that there should be *constitutional* safeguards to ensure that the Legislature did not interfere in the day-to-day administration of our railways, then his choice of England as a country where such *constitutional* safeguards existed is singularly unhappy. For, England has no constitution at all. The English Parliament is said to be omnipuissant. It is said that "it can do everything except make a man a woman, or a woman a man, and the fact remains that under the English system constitutional safeguards for the management of railways do not and cannot exist, because as I said there is no constitution in England.

Then my Honourable friend cited the case of France. In spite of the Committee of Direction of Railways, and in spite of the Supreme Council of Railways in that country, the Legislature is one of the most interfering Legislatures among the civilised countries. In that very "Convention" mentioned by the Honourable the Mover the absolutism of the French Legislature has been preserved absolutely and the French Legislature is not slow in availing itself of this absolutism.

Then, the Honourable the Mover cited the case of the United States of America. In the constitution of that country there is absolutely no bar against the Legislature interfering with the railway administration. We know that the constitution of the United States is a written Constitution and there is an Act concerning the railway administration passed by the United States Legislature, but there is absolutely no constitutional safeguard against the interference of the Legislature in the day-to-day administration of the railways if it chooses to do so. It can only be prevented from so doing by an amendment of the constitution of the United States.

The case of Australia was then cited and I do not know exactly what constitutional arrangements there are there, but I know the result of those arrangements. I know that the Australian railways are the most extravagantly managed railways, possibly in the whole world, because in 1925 the ratio of their working costs to the gross earnings was 121 per cent., possibly the highest in the world, that is a deficit of 21 per cent., Sir.

4 P.M. Sir, I think the choice of these countries was singularly unhappy because of another reason which is that in all those countries the safeguards where they exist are provided by the Legislatures of those particular countries. Here the safeguards are to be provided by a body which is not the Legislature of this country, and that makes all the difference. On the other hand if my Honourable friend Mr. Ranga Iyer wants a statutory body intermediate between the management and the Legislature to be created by an Indian Legislature and by that means thinks he would prevent interference by the Legislature into the administration of the railways, I submit he is very much mistaken, as would be shown by the experience of the various countries of the world. In the first place, how would you define the limits of the statutory body proposed to be created by the supreme Legislature? It is said that it would be the worst kind of pedantry to attempt to define these limits between the powers of the Legislature and the Railway Administration.

[Mr. N. N. Anklesaria.]

Sir, the Round Table-wallahs are piling safeguards upon safeguards. They have advocated the enactment of military safeguards, and thereby they want to withdraw the Army from the Indian Legislature; they have advocated the enactment of financial safeguards, and thereby they want to withdraw the finances from the purview of the Indian Legislature; they have advocated the enactment of safeguards in connection with Muhammadans, Anglo-Indians, Europeans and depressed classes, and thereby they want to remove these communities from the jurisdiction of the Indian Legislature. And now, Sir, my Honourable friend the Mover, if I have correctly understood him, would advocate a safeguard which would remove the railways from the Indian Legislature.

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

What would remain, Sir, except the Hindus and the Parsis, in the Indian Legislature to legislate about,—the Indian Legislature dominated by Muhammadans, Europeans, Anglo-Indians, depressed classes, and last but not the least, my Honourable friend Mr. Joshi representing the labouring classes? Sir, these are some of the difficulties which the topic discussed in the House has disclosed, and I quite agree with my Honourable friend the Deputy President that the matter should be left to a commission of experts. With these words, Sir, I would conclude.

Several Honourable Members: The question may now be put.

Mr. President: I accept the closure.

The question is that the question be now put.

The motion was adopted.

The Honourable Sir George Rainy (Member for Commerce and Railways): I did not intervene earlier in this debate, Mr. President, because it seemed to me pre-eminently a matter in which Government would desire to hear, and the House would desire to hear, the views of the unofficial Members. The attitude of the Government of India on this question was sufficiently defined in the despatch addressed to the Secretary of State some 18 months ago, and Honourable Members had before them for the purpose of criticism the line which the Government of India took at that stage of the constitutional discussions. It did not seem to me that by intervening earlier I could give any material help to the House.

My Honourable friend Sir Hari Singh Gour expressed his dissatisfaction with Government because they had left the matter to be raised on a cut in the Demands for grants and did not place a Resolution before the House. If, he said, they desired to have the opinion of the House, why did they not put down a Resolution? I think that question admits of a very simple and direct answer. When Government submitted their views to the Secretary of State on that question in anticipation of the meeting of the Round Table Conference, that question so to speak passed out of their immediate control and the Round Table Conference was seized of it. And until in one way or another it comes back under the control of the Government of India again, we are not in a position to put a Resolution before the House because we could hardly ask

the House to express a view about a matter on which we ourselves are to a large extent disabled from expressing an opinion of our own. That condition must continue so long as the matter remains a pending question before the Round Table Conference. For the unofficial Members of this House the question is not of course *sub judice* in any way and they are amply entitled to express their views; but for the Members of Government when they speak as Members of Government, it must remain to a large extent in the position of a subject which is *sub judice*. That is the explanation, Mr. President, why Government have not at any time thought of putting down a Resolution in this House. I would only add that, although the despatch of the Government of India was published, I think, sixteen months ago, I cannot recollect—I may be wrong, but I cannot recollect—in the list of Resolutions of which Honourable Members of this House have given notice from time to time that there has been a Resolution on this subject. If I am right, it would appear to show that there was no very keen desire on the part of Honourable Members of this House to discuss this question.

My Honourable friend, Mr. Ranga Iyer, in moving the motion, made it clear, what he had in view. He did not commit himself—save in so far as he expressed approval of the French system—he did not commit himself to any particular proposal, but he did express his recognition of the fact that it was important to the efficient and economical administration of the railways in future that there should be a separation between policy on the one hand and commercial administration on the other. I traced not only in speeches like those of the Honourable the Deputy President, who made his views very clear, but even in the speeches of others who were adverse in many respects to the position taken up by the Government of India [illegible] that there was a real point there which required [illegible] ink that that is a very important fact, because the[illegible]ver, to say something[illegible]t, if we are entitled to be guided by the experience of what [illegible] place in other countries, there is always a danger, when you have State-managed railways and the Government are fully responsible to an elected Legislature, of pressure being brought to bear which would result in action very detrimental both to economy and efficiency. If any Member of this House were to ask me to give a concrete example of the kind of pressure to be deprecated, I must express my gratitude to my Honourable friend, Mr. Neogy, for reminding me of an example very much in point, namely, the questions put in the House of Commons, I think he said in 1927, and to the pressure Sir Charles Innes felt when he attended the Imperial Economic Conference. That, so to speak, was pressure at long range; questions in the House of Commons involved pressure from a Legislature sitting six thousand miles away to which the Government of India are only indirectly responsible . . . .

Mr. K. C. Neogy: Really?

Sir Cowasji Jehangir: Why indirectly? Directly responsible.

The Honourable Sir George Rainy: If even in these circumstances pressure which the Honourable Member pointed out was very undesirable can be brought to bear, is not that a very strong argument to show what might occur when the Legislature is not far away but is close at hand? And would not the position of Sir Charles Innes at the Imperial

[Sir George Rainy.]

Conference have been a great deal easier if he had been in a position to say, "The railways are administered by a statutory body and I have no power of interference"? I must again express my indebtedness to the Honourable Member for the great help he has given.

My Honourable friend, Raja Bahadur Krishnamachariar, wanted to know what a politician was. I did think of Sir Christopher Wren's monument and the inscription on it—"If you want to see a monument, look round you." If you want to see a politician, this is a House in which there must be a large number of politicians. But if I were asked to define it a bit more closely, I think the definition I should be inclined to give is this. It is a definition by illustration. A minister whose retention of power is dependent on the vote of the House to which he is responsible is for this purpose a politician. An elected member of a House of Parliament whose re-election depends on his giving satisfaction to his constituents is a politician. And it is not because politicians are bad people, that their influence on commercial management is deprecated, but because inevitably from their situation they are placed in a position in which they cannot but do at certain times what they recognise will be detrimental to efficiency and economy, but they feel they have to do it because otherwise they disappear from the scene altogether. It is for reasons of that kind that political influence on commercial management is felt to be open to a great deal of objection.

I wonder if I might venture to give a concrete example of the kind of distinction that might be drawn between the sphere of policy on the one hand and the sphere of administration be now put. I say that with a great deal of hesitation, and I v onsider it as given more with the object of illustra an with any particular desire to express views on the precise question that I propose to mention. It is one to which reference has been made by a number of Members, who have spoken, namely, the question of rates. My Honourable friend, Mr. Neogy, said that you could not leave complete control to a rates tribunal. and if I may paraphrase his words—I am not quoting him—I think it might be briefly put in the form, that if you have a tribunal, that tribunal must have a code to administer. On that point my own personal view is very much in agreement with his. Take the Rates Tribunal in the United Kingdom. There the code they have to administer is briefly this: that they should so fix freights and fares that the railway companies will earn a standard revenue; and the whole of their work must be regulated by this governing consideration. It would be an extremely difficult thing, I think, to create a tribunal and say to them, "You are the supreme authority; do the best you can." I should have thought that there must at least have been something of a guide in this sense, that in regulating rates they should aim either at making the railways fully solvent with a small surplus, or regulating rates in such a way as to earn a contribution to the general revenues. Nor do I shut out the possibility that other indications of policy might be given to them, namely, as to the need for giving concession rates where it was desired to introduce new industries. I am not expressing an opinion whether that would be a good thing to do or a bad thing to do. The point I want to bring out is this: that once the Legislature or the proper authority has fixed a policy, the proper course for the Legislature to follow thereafter is to pass a self-denying ordinance and leave the tribunal to apply the policy. The kind of interference with rates which I should deprecate would be a motion on the floor of this House that the freight on wheat should be reduced. Let the Legislature in due time by all means fix its general policy as to what is to be done in these matters. The improper use of political influence comes when it is exercised directly upon the rates structure.

I do not wish to make a very long speech for the reason I have already given. I think the House will recognise that I am hardly in a position to do so. Since the Government of India submitted their despatch to the Secretary of State, there have been two meetings of the Round Table Conference and the declarations of the Prime Minister, and the whole framework of the constitution has now to be established in the light of these declarations. I am not, therefore, called upon at this stage to enter upon any elaborate defence of what the Government of India said towards the close of 1930, and before I sit down, all I wish to do is to refer briefly only to two or three points. I am not concerned today to argue the question what matters should be provided for in the Government of India Act, what matters should be left to rules made under that Act, or what matters should be left entirely to the Indian Legislature. On these matters Honourable Members have expressed their views with perfect freedom and, if I may say so, with great ability. It was important, I think, that this opportunity should have occurred so that before this important question is finally taken up for decision the views of prominent Members of this House should have been placed on record. If I may say so, we are indebted to the Honourable the Mover for having brought about this discussion, and to a very large extent, if I may venture to say so, it was a discussion of which this House has no cause to be ashamed; it has indeed been a very useful discussion.

I ought, however, to say something with reference to what fell from my Honourable friend, the Deputy President. One of his complaints was that we called in the assistance of Brigadier-General Hammond, and he remarked: "What does Brigadier-General Hammond know about the Indian railways?" I will only ask my friend this. Suppose we had called in someone who was really familiar with the working of the Indian railways at a recent date, I am afraid that from the other side there would have been a good deal of criticism of our calling in somebody who was biased in favour of certain views—I don't say that my Honourable friend would have raised this criticism, but I think some one on the Benches opposite would probably have taken that point. And in selecting an expert who had no previous experience of the Indian railways, the action taken was perfectly deliberate because, as we understood it, what the Round Table Conference desired to have was not opinions from India, but the opinion of some one who would be listened to with respect on account of his wide experience of railway working in different countries, and who was in a position to inform the Conference of what took place in different countries. We may have been wrong, I am not concerned with that, but that was the object we had in view. There was certainly no intention at that stage that any recommendation that Brigadier-General Hammond might make should be regarded as binding upon any one.

The other complaint my friend the Deputy President brought forward was that we had not initiated the inquiry to which we referred in our despatch to the Secretary of State. There again the reason was just this, that so long as the Round Table Conference is seized of the question, it is

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not possible for the Government of India to act entirely on its own as if it was a matter left in any way for its decision. No doubt, the recommendation of the Consultative Committee,—so far as appears from the newspapers—and I have no special source of information,—that recommendation no doubt in due course will come before the Government of India and will have to be considered, and speaking only for myself and giving purely as an individual opinion, I have seen no reason yet to change my view that there will have to be a detailed inquiry before we can work out a plan. It is not an easy matter; there is a lot of detail to be considered, and we shall require to have expert Members on the Committee—when I say experts, I mean men with practical experience of the working of railways. However, I cannot go further than that at present, but it is a matter to which the Government of India will certainly give their full attention as soon as the right moment arrives.

I would only like to refer, Sir, before sitting down, to one remark which fell from my friend Sir Hari Singh Gour. He said that my friend Sir Henry Gidney's community always wanted to get the lion's share of the loaves and fishes. Well, Sir, I am not a great student of zoology, and I imagine that a lion being a kind of cat might do something with the fish, but I am not so sure about the loaves, and if that community only gets the lion's share of the loaves it might turn out to be a very small share indeed. (Laughter.)

Mr. C. S. Ranga Iyer: Sir, I should not have ordinarily cared to exercise the right of reply which you have been so pleased to accord to the Opposition, and thus increase the rights of the Opposition on these important occasions, but for one fact that the debate took a turn different to the one with which I had started it and which I have mentioned in my token cut. Sir, as I noticed that my friend Mr. B. Das, the Chief Whip of my party, had given notice of a cut "Whether railways can be under a statutory body", I thought I must leave that question severely alone, and had it not been for a few minutes' difference between the giving of my notice of the cut motion and his notice of the cut motion, it would have been Mr. Das's motion which would have been discussed. Sir, the question of the Statutory Railway Board, I admit, can come under my comprehensive motion, and it has come, and when it came, Honourable gentlemen seated behind me lacked that common courtesy which should be shown to one whom they have put on the front Benches. Attacks have been made behind my back, especially by Mr. Aggarwal in a manner, I should think, unworthy of himself.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): He is not here; he has left.

Mr. C. S. Ranga Iyer: My friend, Mr. Amar Nath Dutt, says he is not here. Sir, Sir Frederick Whyte, your great predecessor, whose position you worthily occupy, laid down in one of his important rulings that when a Member makes a particularly offensive speech he should have the courtesy to wait for the reply.

Sir Abdullah Suhrawardy: And courage.

Mr. C. S. Ranga Iyer: And my friend Sir Abdullah Suhrawardy with his usual frankness and sense of humour says "and courage". I admit that Mr. Aggarwal is a man of abundant courage. But he has gone away as I am told by my Honourable friend Mr. Amar Nath Dutt, to a chamber in Lahore . . . .

Mr. Amar Nath Dutt: I did not tell you that.

Mr. C. S. Ranga Iyer: He has gone away to Lahore.

Mr. K. Ahmed: But what is your complaint?

Mr. C. S. Ranga Iyer: I do not propose in the brief time at my disposal to be side-tracked by my Honourable friend Mr. Kabiruddin Ahmed. I may have to take notice of his speech if he gives me an opportunity by not interrupting me and shows me the courtesy that I showed to him. Sir, I was saying that my Honourable friend Mr. Aggarwal has gone away to resume his chamber practice and other court practice in Lahore. Before his departure, he assumed a strange role on the floor of this Honourable House, this Chamber,—the role, Sir, of a maid whose business was to prepare a bed for political opponents, if personal friends. After preparing the bed the maid has gone away to another chamber leaving a mere hot water bottle behind. (Laughter.) The hottest of hot remarks that the Honourable gentleman from Lahore made was that I had entered into a sort of unholy alliance, into a sort of unseemly conspiracy with my Honourable friend Sir Henry Gidney in regard to bringing about, curiously enough, Company-management of railways. Not being a regular Member of this House in the past, not being regularly present when speeches are made, and not perhaps being a regular student of the debates on the floor of this House, perhaps not having heard the speech that I delivered yesterday, and not having read the speeches that I had delivered in the past,—though he said I as an old Member should have known better,—not having known exactly my position in regard to the State railways because he did not care to know, and where ignorance is bliss, in his case at any rate it would have been wise not to have been eloquent—in his ignorance he need not have been eloquent, but he chose to be eloquent on a matter on which if his advice were to be followed in regard to bringing the management of railways into the mid-current of political whirlpools, if his advice were to be followed in making the management of the railways something in the nature of potter's clay in the hands of politicians with axes of their own to grind, if that advice were to be followed in the self-governing India of the future abandoning the practice of the self-governing countries which run railways on commercial and business lines,—if that advice were to be followed, a situation would arise which Sir William Acworth in his Report to the League of Nations stated in regard to Austria, namely, you may have to scrap not only State management but State control of railways and invite companies to take charge of them and run them. Therefore, I can as easily, if I were to follow his line of argument, state that he was playing into the hands of Sir Henry Gidney. I do not for a moment question the desire which is legitimate on the part of Sir Henry Gidney to go back to the halcyon days, according to him, of Company-management. He misses the favours, the advantages to his own community which he enjoyed in the past under Company-management, when you, Sir, as an old Member of the Imperial Legislative Council, in your usually eloquent and trenchant style, attacked

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Company-management, showing your own preference for State-management. Those days are gone,—good old days from Sir Henry's point of view, and bad old days from our own point of view. Therefore, if my Honourable friend Mr. Aggarwal only follows up his reasoning, he will be necessarily but unfortunately playing into the hands of Sir Henry Gidney.

Now, I come to the argument of my Honourable friend Mr. Neogy. He said, with his usual facility, or shall I say, felicity, of expression, that he has been viewing this Legislative Assembly, of which he has been an ornament, with amused indifference. It is a thankful thing that he did not say that he has been treating us with contemptuous tolerance. Sir, it is good to be told by one of us,—for candour is always refreshing—that he has been looking upon us and our activities on the floor of this House with a certain amount of amused indifference. Had I felt like Mr. Neogy, I would not have stayed on for a single day in the Legislative Assembly as my past record fully shows. I am proud of being in this Legislative Assembly, which I feel is not a whit inferior to any of its predecessors. It is true when I was promoted, in the days of those giant leaders and great controversies, when I was a member of the Swaraj Party, from the back Benches to the front Benches, I felt a glow of pride within me, but it is truer to-day that we are in this House to represent from the constitutional point of view what we think of the doings of the Government, their programme, their principles, their suggestions, their arguments, and their schemes. (*Mr. B. Das*: "Has it any effect on the Government?") My Honourable friend Mr. B. Das asks, has it any effect? I would ask him to answer that question himself, for we will have adequate opportunity to enlighten this House as to what we think of the Government policy in the days that are opening before us. I am quite willing to answer Mr. B. Das by saying that in certain matters our arguments, our speeches, and our opposition have had no better effect on the Government than pouring water on duck's back. (Laughter.) But, Sir, there has been a tremendous effect produced on the Honourable the Railway Member by this debate, when he said that Government were contemplating something in the nature of a detailed enquiry, which is exactly what my Honourable friend Mr. Mody wanted, which is exactly what my Honourable friend Mr. Chetty wanted. Therefore, within less than 24 hours. . . . .

The Honourable Sir George Rainy: Sir, as the duck which has had the water poured over it (Laughter), I may say that this idea of a detailed enquiry originated in our minds about August or September of 1930, and you will find it in the Government of India's despatch. (Laughter.)

Mr. C. S. Ranga Iyer: I find that the Honourable the Railway Member is unwilling to take a certificate from this side of the House that within 24 hours our arguments have set him thinking; he would prefer the role of the duck. (Laughter.)

Now, Sir, coming to the remark of my Honourable friend Mr. Neogy, who spoke in his usual incisive style,—he said he treated us with amused indifference, and I am glad that my token cut made him treat us to some kind of indifferent amusement. (Laughter.) Incisiveness apart, Mr. Neogy was perfectly right when he said that I did not mention a word about the Statutory Board and I do not like to mention a word on the Statutory Board for the very simple reason the esteemed leader of my party, Sir Hari Singh Gour, the eminent jurist that he is, has explored every avenue regarding that particular subject and he has simply left nothing for me to say. Sir Hari Singh Gour spoke with earnestness, as he always does, and with sincerity, in a manner worthy of the custodian of the powers and privileges not only of this House but also of its successors, and I should not go on expanding his arguments, or for that matter commenting upon them for the very simple reason that I am approaching the time of the guillotine.

My friend Mr. Anklesaria in his speech said that there was no such thing as an English constitution, I do not know if he knows that there is such a thing as a Railway Act in England. Surely he must have read the Railways Act of 1921. I do not know if he knows that there is the Board of Trade whose powers and duties in relation to Railways have been transferred to the Ministry for Transport. And I do not know if he knows what happened in England during the time of war when Parliament commandeered the railways. Being a barrister himself, I would ask him to make a fuller study on this matter. I do not suggest for a moment that he was denying the existence altogether of an English constitution, though he gave that impression.

Mr. N. N. Anklesaria: Read Dicey on English Constitution.

Mr. C. S. Ranga Iyer: I shall leave Mr. Anklesaria and Dicey just to settle the matter between themselves. (Laughter.)

I must straightaway say that I was not in agreement with the esteemed leader of the European Group when he said that he contemplated for the railways the same kind of treatment that is given to the Ports under the laws. He said we have a Port Trust. He did not say, "We shall give you a Railway Trust". We do not want a Railway Trust. (Hear, hear.)

Sir, I do not like the expression "Statutory Railway Board" for all Railway Boards are part of a statute. Whatever that might be, there can be no difference of opinion in regard to what Mr. Chetty said about "smuggling" this thing as he put it through the backdoors of the Round Table Conference. I have always felt that the Round Table Conference people were hardly the right kind of people to deal with this matter, and after the confession of Mr. Mody, "the noblest Roman of them all," I think there should be no dispute about that. I can only say that the Round Table Conference people in their treatment of this railway question have risen to my estimate of them. Blessed are they who have no expectations, because they shall not be disappointed and I am not disappointed to hear that they have dropped this question like hot potatoes. I am not disappointed because I had no expectation from these monkey gland statesmen presiding self-complacently over their own inglorious impotence. (Laughter.)

Sir, I need not proceed further with the subject except to pay a personal compliment to the Honourable the Railway Member, because this is the last debate, and perhaps we have very nearly heard his last speech on his subject. Throughout his career in this House as its Leader and as the Member for Railways and Commerce, the Opposition, even in the thickest of the fight, did not miss the fact that on his unembarrassed brow Nature has written "Gentleman". My last words in this debate, so

[Mr. A. M. Hayman.]

There is a word of explanation there. We have trained twice the number of apprentices which we require for our State-managed railways, and if all the candidates that we have already sent to England to complete their training do complete their training, then we shall in the first year have an overflow and we shall do our best to get those Indian young men appointments on the Company-managed railways. I think we shall be successful because we shall be able to go to the Companies and say, "Here you are, we are offering you men thoroughly trained—4 years in India in mechanical engineering workshops and 2 years in England—men who are competent to take up the duties of assistant officers of the Mechanical Engineering Department." Then in the last year or two, while we were waiting for the trained apprentices to complete their courses, we have advertised in India for persons of Indian domicile for our Mechanical Engineering and Transportation (Power) Departments, and we have done everything to make it possible for us to get such mechanical engineers as were available in this country. We removed the age limit and we are also prepared to take on younger men who were not fully qualified and give them a year or two years' training in order to make them qualified. Well, in our indents on the High Commissioner for India for Indians who had those qualifications and in our demands on the Public Service Commission for persons who had those qualifications, we have always asked for more candidates to be recommended than the number of vacancies we had on our State-managed railways, and this year we got more than we wanted (last year we asked for 8, but between the High Commissioner and the Pubilc Service Commission only 7 were recommended). We have passed on the names of those recommended but for whom we could not find vacancies to the Company-managed railways. I am in the happy position to say that one railway at least has made an inquiry from me and asked me to send them the names of two or three of those young Indians as it desired to appoint an Indian to a vacancy on that railway: (*Mr. C. S. Ranga Iyer*: "What is that railway?") It is the Assam-Bengal Railway. Sir, that is not all that we have done. We have made it clear to the Company-managed railways that the policy which the Government have adopted is that there must be 75 per cent. recruitment in all the departments taken together, and we have said that if any Company-managed railway still finds it difficult to get into its Mechanical Department the full quota of Indians, then it is incumbent on that railway to fill up a greater number of vacancies in some other departments so that, on the whole, 75 per cent. recruitment would be secured. We know from past experience that it is quite possible for most of our railways in India to find suitable candidates for our Transportation, Traffic and Commercial Department, also for our Accounts and Audit Department, and it is due to the Agent of the South Indian Railway, following closely this policy which we have enunciated that he has been able to work up the total recruitment to 75 per cent.

5 P.M.

Mr. President: Order, order. (It being Five of the Clock.) The question is:

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

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 7,75,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'Railway Board'."

The motion was adopted.

DEMAND No. 2.—INSPECTION.

Mr. President: The question is:

"That a sum not exceeding Rs. 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 1933, in respect of 'Inspection'."

The motion was adopted.

DEMAND No. 3.—AUDIT

Mr. President: The question is:

"That a sum not exceeding Rs. 12,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'Audit'."

The motion was adopted.

DEMAND No. 4.—WORKING EXPENSES: ADMINISTRATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 9,97,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'Working Expenses: Administration'."

The motion was adopted.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 36,76,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'Working Expenses: Repairs and Maintenance and Operation'."

The motion was adopted.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 80,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1933, in respect of 'Companies and Indian States' share of surplus profits and net earnings'."

The motion was adopted

[Mr. C. S. Ranga Iyer.]

far as the Railway Member is concerned, cannot be better put than what Shakespeare has said in "As you like it":

"Your gentleness shall force,
More than your force move us to gentleness."

With your permission, as I originally said, I beg leave to withdraw the motion.

Mr. President: Has the Honourable Member the leave of the House to withdraw his motion?

Several Honourable Members: No, no.

Mr. President: I must put the motion then. The question is:

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

The motion was negatived.

Indianisation of Superior Services.

Mr. C. S. Ranga Iyer: With your permission, Sir, I should like to move amendment No. 34, "That the Demand under the head 'Railway Board' be reduced by Rs. 100".

In doing so, I only want to put two definite questions to the Railway Member. I find in the Administration Report that the railway companies have not accepted the particular percentage that has been introduced in the State railways and I want to know why this discrepancy has been created.

Mr. A. M. Hayman (Government of India: Nominated Official): I think you will excuse me, Sir, if I say that I consider myself one of the most unfortunate Members of this House. It so happens that I come here for a few days every year and I have often the misfortune to have the guillotine falling on my head. Now, Sir, I expected that the Honourable Member, Mr. Ranga Iyer, would have put the point that he wished to make more precisely. Perhaps I did not hear him on account of a movement in the House, due to the coming in and going out of Members, but I take it that my Honourable friend wants to know why, although on our State-managed railways we have been able in the last few years to work up to the full 75 per cent. recruitment of Indians in filling vacancies in the superior services, the Company-managed railways have not been able to do so. I think there are several Members of this House to whom the question is perhaps new and that it is necessary for me to state precisely what the obligations of Government are in this matter. The declared policy of Government as regards the superior services was that Government, as regards the superior services, undertook at the time when the Lee Concessions were granted, that the extension of the existing training facilities should be pushed forward as expeditiously as possible, in order that the recruitment in India might be advanced as soon as practicable up to 75 per cent. of the total vacancies in the Railway Department as a whole, the remaining 25 per cent. being recruited in India. Well, that was I think about 1924-25 and since then considerable progress has been made. A great deal was done by the Railway Board immediately after in order to arrange for facilities for the training of Indians in order to secure that 75

per cent. of the vacancies would be filled by Indians, and from 1929-30 we have been able to fill 75 per cent. Now the Railway Board themselves are not altogether satisfied with the progress that has been made in Indianisation on Company-managed railways, but in saying this I do wish that the House would not understand that the Companies have not been doing anything at all. For a time, at the beginning, *i.e.*, soon after the policy of Government was declared, the Companies I think waited for Government to take the lead; and Government having taken the lead and having advanced the recruitment of Indians, Government themselves were then in a strong position to go to the Companies and say, "Well, we have done so and so and we have advanced the recruitment and we are assured of getting our 75 per cent., now it is time for you to quicken your pace and recruit 75 per cent. too". And, Sir, it is by taking action on those lines and also because Members of the Railway Board, the Chief Commissioner, the Financial Commissioner and the other Members, have from time to time, whenever they met Agents of Railway Companies, impressed on them that this was one of the important things which Government expected of them that good progress has been made. Sir, I think, therefore, we have some reason to congratulate ourselves, for, whereas the percentage of Indian recruitment on Company-managed railways in 1928-29 was 50·8 per cent., it has risen in the year 1930-31 to 61·5 per cent. I have not been able to get the up-to-date figures, that is, I mean for the year 1931-32, but from the knowledge that I have obtained from my conversation with Agents, I should be surprised if there has not been a fairly good increase over the last figure, *viz.*, 61·5 for the year 1930-31. Now I would like to say that the Railway Board has not left the question even there. It has examined the question in detail to ascertain exactly where the difficulties at the present moment of the Company-managed railways lie with a view to giving them advice as to how to get over those difficulties, and if possible to help them in a practical way. And, Sir, I would crave the indulgence of the House to read a passage from our annual Report for 1930-31, which states exactly what we have done in this direction, that is, to help the Companies in a practical way to advance their recruitment of Indians as quickly as they possibly can to 75 per cent. This is what we say:

"The progress made in the Indianization of the superior services on company-managed railways falls short of that on State-managed railways. Companies have agreed to fall into line with the policy of Government as indicated in para. 73 of this report. But they have not yet been able to do so owing to various reasons."

The South Indian Railway so far has been the only one that has reached the full percentage. During the year under report the Companies were reminded of their obligation to fill as quickly as possible 75 per cent. of all vacancies in all the departments taken together by persons of Indian domicile. They were also advised.—and here it is where we have put practical suggestions before them.—that, judging by the experience of the last five years, it appeared that the only department in which there was some difficulty in obtaining suitable recruits in India was the Mechanical Department, and that the Railway Board would be prepared to assist them in obtaining suitable candidates for every other department in case they found any difficulty. Then with regard to the Mechanical Department we said that:

"The Railway Board would be prepared to place at their disposal the overflow of the apprentices on State-managed railways who would complete their training in 1933."

SECRET
MAY

LEGISLATIVE ASSEMBLY.

Monday, 7th March, 1932.

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

MEMBER SWORN.

Mr. V. K. Aravamudha Ayangar, C.I.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

The Railway Court of Enquiry.

647. ***Sardar Sant Singh:** Was there a Railway Court of Enquiry? If so, what were its functions and composition?

The Honourable Sir Joseph Bhore: The answer to the first part of the question is in the affirmative. As regards the second part, I invite the Honourable Member's attention to Industries and Labour Department notification No. L.-1714 which was published in the Gazette of India of 15th August, 1931.

Mr. Lalchand Navalrai: Will the Honourable Member please state if the Court of Enquiry is still functioning? If so, where?

The Honourable Sir Joseph Bhore: My Honourable friend has apparently not kept himself in touch with the newspapers. I may inform this House that the Court of Enquiry has concluded its labours and its Report is now in print.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member state when the Report is likely to be made available to the Members of this House?

The Honourable Sir Joseph Bhore: I hope very shortly, possibly within a week.

Lieut.-Colonel Sir Henry Gidney: Thank you.

Dr. Ziauddin Ahmad: Will the Honourable Member give an opportunity to the Assembly to discuss that Report?

The Honourable Sir Joseph Bhore: Certainly not.

Mr. M. Maswood Ahmad: Will the Report be laid on the table of the House.

DEMAND No. 9.—APPROPRIATION TO DEPRECIATION FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,25,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'Appropriation to Depreciation Fund'."

The motion was adopted.

DEMAND No. 11.—MISCELLANEOUS EXPENDITURE.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,50,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'Miscellaneous Expenditure'."

The motion was adopted.

DEMAND No. 14.—STRATEGIC RAILWAYS—WORKING EXPENSES (INCLUDING APPROPRIATION TO DEPRECIATION FUND AND MISCELLANEOUS EXPENDITURE).

Mr. President: The question is:

"That a sum not exceeding Rs. 1,85,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'Working Expenses (including Appropriation to Depreciation Fund and Miscellaneous Expenditure)'."

The motion was adopted

Expenditure charged to Capital.

DEMAND No. 7.—NEW CONSTRUCTION.

Mr. President: The question is:

That a sum not exceeding Rs. 1,00,60,000 be granted to the Governor General in ncil to defray the charges, which will come in course of payment, during the ending the 31st day of March 1933, in respect of 'New Construction'."

The motion was adopted.

DEMAND No. 8.—OPEN LINE WORKS.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,05,50,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'Open Line Works'."

The motion was adopted.

DEMAND No. 15.—STRATEGIC RAILWAYS—NEW CONSTRUCTION AND OPEN LINE WORKS.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March 1933, in respect of 'New Construction and Open Line Works'."

The motion was adopted.

Other Expenditure

DEMAND No. 10.—APPROPRIATION FROM DEPRECIATION FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,18,79,000 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 1933, in respect of 'Appropriation from Depreciation Fund (*Commercial and Strategic*)'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 7th March, 1932.

The Honourable Sir Joseph Bhore: I will lay a copy in the Library of the House; but if any Honourable Member desires to have a copy, I shall be glad to supply one to him.

Dr. Ziauddin Ahmad: We provided money for that Court of Enquiry and it is strange that we cannot discuss Report for which we have paid?

The Honourable Sir Joseph Bhore: If my Honourable friend desires that the Assembly should discuss all Reports in connection with which funds have been provided, then I am afraid that time will not be available in the whole of the year for that purpose.

Mr. Lalchand Navalrai: Will the Honourable Member please state the reason for giving that positive, "No".

(No answer was given.)

MEMORIALS WITHHELD BY THE RAILWAY BOARD.

648. *Sardar Sant Singh: What is the principle on which memorials to the Governor General are withheld by the Railway Board?

Sir Alan Parsons: The Honourable Member is presumably referring to the appeals of the subordinate staff of State-managed railways against orders of discharge or dismissal. An appeal from such an order lies to the authority next above the officer passing the order, provided that if the order was issued by the Agent of a railway himself, no appeal lies.

Lieut.-Colonel Sir Henry Gidney: Is it not a fact that in the case of memorials submitted to the Governor General through the Railway Board, though the Railway Board stands in the position of the accused, yet it is called upon to pronounce a verdict on its own finding?

Sir Alan Parsons: I am not sure that I understand the Honourable Member; will he put the question in simpler language?

Lieut.-Colonel Sir Henry Gidney: I am sorry the Honourable Member finds my language difficult. Let me put it in another way. Is it a fact that when memorials are presented to the Governor General, they must be submitted *viâ* the Railway Board and it is customary for the Governor General to submit it to the Railway Board for their remarks? In other words, the Railway Board is called upon to express an opinion for the guidance of the Governor General on its own opinion already expressed and which is the subject of the appeal, and to advise the Governor General on the question in dispute. In other words though it stands in the position of an accused to it is relegated the powers of a jury and judge combined. A hopelessly untenable position?

Sir Alan Parsons: The memorials I am dealing with in this question are not memorials against the orders of the Railway Board, but against the orders of Agents or officers of Railway Administrations.

Lieut.-Colonel Sir Henry Gidney: Is not the Railway Board responsible for the conduct of the Railway Agents, for the purposes of discipline and the administration of justice to the entire staff?

Sir Alan Parsons: Yes, Sir.

DISCHARGE OF SUPERANNUATED RAILWAY EMPLOYEES.

649. *Sardar Sant Singh: (*a*) Will Government be pleased to state the principle on which superannuated men were discharged from the Railways? Is there any uniformity?

(*b*) Is it a fact that some superannuated men with good records of service have been discharged and others have been retained in the Allahabad Division? If so, why?

(*c*) Is it a fact that besides Mr. D. N. Banerji, late Head Parcels Clerk, Cawnpore, there are several superannuated persons who are still in service? If so, why was this man discharged?

Sir Alan Parsons: (*a*) The principles adopted for the selection of Railway employees for discharge in the recent economy campaign were first those who were inefficient, next those who were least efficient, then those with short service and finally those nearing the age of superannuation. These principles were laid down to secure uniformity in the order of selecting individuals for discharge.

(*b*) and (*c*). Government have no information.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House whether the rule of superannuation has been applied to officers also? If so, how many?

Sir Alan Parsons: I should want notice of that question.

MEMORIALS WITHHELD BY THE RAILWAY BOARD.

650. *Sardar Sant Singh: (*a*) Is it a fact that the Railway Board withhold memorials addressed to the Governor General and also do not consider memorials addressed to themselves on the ground that the Agent is competent to deal with them?

(*b*) Will Government be pleased to state how many such memorials were presented to the Railway Board in December, 1931 and how they were disposed of?

Sir Alan Parsons: (*a*) I would refer the Honourable Member to my reply to his question No. 648.

(*b*) No complete record is maintained of the appeals received by the Railway Board against orders of discharge of subordinate employees, but from the information available Government are advised that 80 appeals addressed to the Railway Board were received by them during December, 1931. These were either returned to the appellants or transmitted to the Agents for disposal.

Dr. Ziauddin Ahmad: Am I to understand that in all matters in which the Agents are the final authorities, appeals cannot be addressed to the Governor General?

Sir Alan Parsons: Where the Agent is the final authority, no appeal lies to the Governor General.

JUDGMENT ON AN INCOME-TAX APPLICATION IN SIND.

651. *Mr. Lalchand Navalrai: (a) Will Government be pleased to state if their attention has been drawn to the judgment in Miscellaneous Application No. 113 of 1929 delivered on the 15th October, 1931, by the Court of the Judicial Commissioner of Sind, on an application under section 66(3) of the Indian Income-tax Act, 1922, by the firm of Khemchand Ramdas?

(b) Have Government's attention been drawn to the interpretation that sub-section 3 of section 66 is limited to a case of refusal on the ground of any question of law and that that sub-section does not apply even if the Commissioner of Income-tax manifestly wrongly decided to refuse the revision application on the question of limitation?

(c) Is it a fact that in this particular case the Commissioner of Income-tax, Bombay, refused even to take up the suggestion of the Court to revise his order?

(d) Is it a fact that in Sind the alternative remedy to such an applicant under section 45 of the Specific Relief Act is also not available?

(e) Is there any reason why assessees in Sind should be in a less favourable position than those who are assessed by officers amenable to the jurisdiction of High Courts referred to in section 45 of the Specific Relief Act in the matter of having a question of law arising out of orders of appellate officers decided by a Court of law?

(f) Will Government be pleased to state if they propose:

(1) to amend section 66 of the Income-tax Act; and

(2) to confer on the Court of the Judicial Commissioner of Sind the powers under section 45 of the Specific Relief Act?

The Honourable Sir George Schuster: (a) The Government have perused the decision.

(b) The Court decided that under section 66 (3) a Court cannot direct a Commissioner of Income-tax to make a reference to it, where he has refused to make a reference, unless the ground for his refusal was that no question of law arose out of an appellate order under sectoin 31 in the case.

(c) Yes. The Commissioner rightly held that he had no power to review his own order. In regard to the suggestion that the Commissioner's order was wrong, I must point out that the meaning of section 66 (3) before it was amended was ambiguous and had been the subject of conflicting decisions, which is why it was amended by Act XXI of 1930. The Commissioner's decision related to the un-amended section, and on one of the points on which the Court of the Judicial Commissioner considered that the Commissioner had erred, there was judicial authority for the Commissioner's view as well as for the view held by the Court of the Judicial Commissioner.

(d) and (e). If the Honourable Member intends to suggest that assessees in Sind are subject to any special disability in this respect, he is mistaken. A remedy under section 45 of the Specific Relief Act is available only within the local limits of the ordinary original civil jurisdiction of the Calcutta, Madras, Bombay and Rangoon High Courts, and Sind assessees are, therefore, in precisely the same position in this respect as all assessees throughout India outside those limits.

(f) The Government of India are considering the desirability of amending section 66 of the Indian Income-tax Act in such a manner as to remove the grievance ventilated in this question. They do not propose to undertake legislation so as to enlarge the sphere of operation of section 45 of the Specific Relief Act.

Mr. Lalchand Navalrai: Will the Honourable Member please state whether Sind will not have any remedy until the law is amended?

The Honourable Sir George Schuster: I did not go so far as to say that man who had a grievance had no remedy at all. But as this is a very complex matter, I would ask the Honourable Member to study carefully the reply which I have just given and if he is still in doubt, then he can come and speak to me on the matter.

Mr. Gaya Prasad Singh: Are Government aware that the Income-tax Act contains many anomalies which call for speedy amendment?

The Honourable Sir George Schuster: Government are fully aware of it and I am sure my Honourable friend is also aware that the time of this House is strictly limited for legislative business of the kind he suggests.

DISPOSAL OF INCOME-TAX APPLICATIONS IN SIND.

652. *Mr. Lalchand Navalrai: Will Government be pleased to obtain and lay on the table a statement showing for Sind, for each year since 1922, the number of cases in which the Commissioner of Income-tax, Bombay Presidency, has refused to refer questions of law to the High Court under section 66 of the Act, either because in his opinion the application was time-barred or because in his opinion the Court of the Judicial Commissioner of Sind was not the High Court as contemplated by section 66 of the Act?

The Honourable Sir George Schuster: The information has been called for and will be laid on the table in due course.

AMENDMENT OF THE INDIAN INCOME-TAX ACT.

653. *Mr. Lalchand Navalrai: (a) Will Government be pleased to state if they have received representations regarding the amendment of section 48 of the Indian Income-tax Act?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state what measures have been taken in the direction?

The Honourable Sir George Schuster: (a) They have received one suggestion from a single firm.

This suggestion related to the inability of shareholders in a company that had succeeded to the business of a firm to obtain refunds, as shareholders, in the first year of the company's existence in respect of the profits of the firm in the last year of its existence, which were not distributed in the form of dividends.

(b) The Government are not at present convinced that any amendment of the law is necessary.

INCOME-TAX APPLICATIONS IN SIND.

654. *Mr. Lalchand Navalrai: Will Government be pleased to lay on the table a statement showing separately for Sind and the rest of the Bombay Presidency the following information?

Year.	No. of applications received by the Commissioner for reference to the High Court under section 66(2) of the Indian Income-tax Act, 1922.	No. of cases in which the Commissioner refused to take action because in his opinion the assessment order really fell under section 23(4) of the Act, and not under section 23(3).
1927-28 .		
1928-29 . .		
1929-30 . .		
1930-31 . .		

The Honourable Sir George Schuster: The information has been called for and will be laid on the table in due course.

INSTRUCTIONS FOR THE COMMISSIONER OF INCOME-TAX, SIND.

655. *Mr. Lalchand Navalrai: Will Government be pleased to state if the Central Board of Revenue have issued any instructions as to what should be the procedure in cases in which the Commissioner of Income-tax declines to take action under section 66 (2) because the assessment order falls in his opinion under section 23 (4)?

The Honourable Sir George Schuster: No such instructions have been issued. As the Honourable Member is perhaps aware, no appeal lies against an assessment order under section 23(4) of the Indian Income-tax Act, and a reference to the High Court under section 66(2) can only be made with reference to a question of law arising out of a decision of a Board of Referees, or an appellate order under section 31 or 32 of the Act. The Central Board of Revenue is now instructing Commissioners of Income-tax that an order by an Assistant Commissioner refusing to entertain an appeal, on the ground that the assessment was made under section 23(4), where the assessee contends that the assessment should not have been made under that section, is an appellate order under section 31, and that therefore a reference can be made to the High Court in regard to a question of law arising out of such an order.

RETURN OF FEES DEPOSITED BY APPLICANTS UNDER THE INDIAN INCOME-TAX ACT.

656. *Mr. Lalchand Navalrai: (*a*) Will Government be pleased to state if it is the intention of Government that fees deposited under section 66 (2) of the Income-tax Act should not be returned to parties who have applied for reference to High Courts but who propose to take no action after the Commissioner of Income-tax has declined to entertain the request?

(*b*) If not, is it a fact that the Commissioner of Income-tax, Bombay, has so refused to return the fees?

(*c*) Will Government be pleased to lay on the table a statement showing for each of three years 1928-29, 1929-30 and 1930-31 the number of cases in which the Commissioner of Income-tax, Bombay Presidency, declined to take action under section 66 (2) of the Income-tax Act, and in which he refused to return the fees even after application was submitted by the party concerned that he did not propose to move the High Court under section 66 (3)?

(*d*) Do Government propose to direct the Commissioner of Income-tax, Bombay, to return fees in cases in which he has refused to do so? If not, why not?

The Honourable Sir George Schuster: With your permission, Sir, I will reply to questions Nos. 656, 657 and 658 together.

The information has been called for and will be laid on the table in due course.

DAYS SPENT IN SIND BY THE COMMISSIONER OF INCOME-TAX, BOMBAY PRESIDENCY.

†657. *Mr. Lalchand Navalrai: (*a*) Will Government be pleased to obtain from the Commissioner of Income-tax, Bombay Presidency, a statement showing the number of days he spent in Sind during each of the last three years 1928-29, 1929-30 and 1930-31, and also information regarding the number of days occupied on each occasion by the journey from Bombay to Sind and back?

(*b*) Will Government be pleased to state if the Commissioner of Income-tax, Bombay Presidency, issues any programme of his tour for the information of the public of such part of the Presidency as he intends to visit?

(*c*) If the reply to part (*b*) be in the negative, will Government be pleased to state what steps are taken to inform mercantile bodies and associations and the members of the public of his impending visits?

INCOME-TAX APPLICATIONS IN SIND.

†658. *Mr. Lalchand Navalrai: (*a*) Will Government be pleased to obtain from the Commissioner of Income-tax, Bombay Presidency, a list showing the number of cases in which he received applications for revision under section 33 of the Income-tax Act in each of the three years 1928-29, 1929-30 and 1930-31 and in how many of these he was requested to grant a hearing to the petitioners and the number of cases in which such requests were granted?

(*b*) Will Government be pleased to state if it is a fact that the Commissioner of Income-tax, Bombay Presidency, does not record his reasons for refusing to entertain petitions for revision under section 33 of the Act and whether it is a fact that his practice is not to communicate such reasons, even if they are recorded, to the petitioners?

†For answer to this question, *see* answer to question No. 656.

RAILWAY PASSES FOR RAILWAY MAIL SERVICE INSPECTORS.

659. ***Mr. S. C. Mitra:** (*a*) Is it a fact that card-passes were supplied by all Railway companies to all supervising officers of the Post Office and the Railway Mail Service since the organisation of the Railway Mail Service (formerly called the travelling post offices), that they were summarily withdrawn by the orders of the Railway Board with effect from 1st April, 1926, and that the Director General, Posts and Telegraphs, did not refer the matter to Government? Is it a fact that travelling for official business on free railway passes is the privilege of all Postal and Railway Mail Service officers in England and other foreign countries? Is it a fact that the Department has been experiencing deficit since 1926?

(*b*) Is it a fact that gradually all officers have been allowed to purchase tickets except Railway Mail Service Inspectors who are almost in all cases required to travel in mail vans? Is there any provision for their comforts, night sleep, toilet, etc., when their journey consists of more than 4, 6 or 12 hours without any option of breaking their journey anywhere on their way? Is it a fact that there is no provision for going into the second class compartment for toilet, bath, or changing of clothes, whether in the evening or in the morning, or at any other time during day or night?

(*c*) Are Government prepared to secure Railway free passes for Railway Mail Service Inspectors and, till the restoration of card-passes, allow them to purchase tickets for each journey made in connection with conveyance of mails of high officers or investigations, etc., or do Government propose to appoint a commission to enquire into the grievances of Railway Mail Service Inspectors, and to recommend relief for them?

Mr. T. Ryan: (*a*) As regards the first part of the question, the facts are substantially as stated by the Honourable Member except that the withdrawal of the passes was not summary and was with the cognisance of Government. As regards the second part, Government are not aware that it is the privilege of all Postal and Railway Mail Service Officers in England and other countries to travel for official business on free railway passes. As regards the third part, the reply is in the negative. The Department has been working at a deficit since the year 1927-28.

(*b*) The meaning of the first part is not wholly clear but it is the case that except for journeys undertaken for the inspection of Railway Mail Service working, Superintendents and others are allowed to purchase tickets. Railway Mail Service Inspectors are allowed to purchase tickets under the orders of the Postmaster General, Deputy Postmaster General or Superintendent concerned in special circumstances. There is no sleeping accommodation in mail vans. Lavatories are of course provided. The answer to the last part is in the affirmative.

(*c*) Government do not propose to take steps for the restoration of card passes nor do they consider it necessary to alter the conditions under which the purchase of tickets is permitted. They do not propose to appoint a commission of enquiry as suggested by the Honourable Member.

Dr. Ziauddin Ahmad: Was the withdrawal of passes initiated by the Railway Department or by the Director General of Posts and Telegraphs?

Mr. T. Ryan: It was initiated by the Railway Department and agreed to by the Director General of Posts and Telegraphs.

HOLIDAYS ENJOYED BY OFFICERS OF THE INDIAN ARMY.

660. ***Sirdar Sohan Singh:** (*a*) Will Government be pleased to state if it is a fact that officers in the Indian Army enjoy the following leave and holidays:

(i) 52 Sundays;

(ii) 52 Thursdays considered as non-working days;

(iii) 90 days' privilege leave in a year if employed in the Frontier and 60 days' privilege leave in a year if employed elsewhere;

(iv) ten days' leave in a year on urgent business once or twice or even thrice a year; and

(v) over and above these, all gazetted holidays?

(*b*) Will Government please state how many actual working days, when the above mentioned deductions have been made, are actually put in by officers in the Indian Army?

(*c*) Will Government please state whether it is a fact that when the main number of days counted towards leave, holidays and non-working days, etc., is counted officers in the Indian Army are free for as many as over 200 days out of 365 in a year?

Mr. G. M. Young: (*a*) The holidays mentioned in this part of the question are all technically admissible to officers of the Indian Army. They represent, however, a maximum which no officer actually enjoys. For instance, the Thursday holiday can rarely be taken by regimental officers during the winter training season; nor is it allowed to interfere with weapon training, which goes on through the summer. In practice, therefore, regimental officers do not often take the Thursday holiday; Staff Officers never do so.

All the leave mentioned, including privilege leave, is subject to the exigencies of the service, and none may be claimed as a right.

(*b*) It is impossible to estimate the average number of working days of an officer during the year; but it is safe to say that the number of working days is very much greater than is suggested in part (*a*) of the question.

(*c*) The answer is in the negative.

PROSECUTIONS INSTITUTED BY THE EXECUTIVE OFFICER, SIALKOT CANTONMENT.

661. ***Sirdar Sohan Singh:** (*a*) Are Government aware that the Executive Officer, Sialkot, issued notices on his own authority under section 187 of the Cantonments Act and also under other sections of that Act in which the power of issuing notices was vested in the Cantonment Authority?

(*b*) Is it a fact that after issuing those notices, he himself started prosecutions for the non-compliance with those notices?

(c) If the reply to part (b) is in the affirmative, are Government aware that this action of the Executive Officer was responsible for a number of prosecutions?

(d) Is it a fact that one such prosecution was launched against Mr. Muhammad Ali Khan of Sialkot, *vide* criminal case No. 57 of 1931, in the Court of Mr. Kohli, 1st Class Magistrate, Sialkot, who sentenced Mr. Muhammad Ali Khan to a fine of Rs. 25 or in default simple imprisonment for 10 days?

(e) Are Government aware that Mr. Muhammad Ali Khan filed a revision in the Court of the District Magistrate, Sialkot, with the result that the District Magistrate held the notice issued by the Executive Officer to be illegal and recommended to the High Court, Lahore, that the conviction be set aside?

(f) Is it a fact that the High Court, Lahore, accepted the recommendation of the District Magistrate and held that a notice requiring the sanction of a Cantonment Authority could not be legally issued by the Executive Officer without obtaining the sanction of that authority beforehand?

(g) Is it a fact that the Cantonment Authority spent a lot of money, in defending the illegally issued notice both in the Court of the District Magistrate and the High Court?

(h) Are Government aware that owing to this illegal action of the Executive Officer, Sialkot, Mr. Muhammad Ali Khan, has been subjected to a lot of worry and expense?

(i) What action do Government propose to take against the Executive Officer responsible for the waste of Cantonment Fund money and for causing such harassment to the people by doing acts in excess of his powers?

(j) What action do Government propose to take to stop such abuse of power by the Executive Officers of Cantonments?

Mr. G. M. Young: The information has been called for, and a reply will be laid on the table in due course.

CONSTRUCTION OF OFFICES IN THE GARDEN OF THE LANSDOWNE INSTITUTE, RAWALPINDI.

662. ***Sirdar Sohan Singh:** (a) Is it a fact that the property known as Lansdowne Institute is held in trust by the Cantonment Authority, Rawalpindi, to be used as a public library and a place for public amusement?

(b) Is it a fact that the Cantonment Authority of Rawalpindi has cut up a portion of the garden attached to the institute and is building its own offices there?

(c) Are Government aware that this action of the Cantonment Authority has raised a good deal of public indignation and protest?

(d) Is it a fact that the All-India Cantonments Conference passed a definite resolution in its recent session held at Lahore Cantonment, requesting Government to intervene and prevent the Cantonment Authority of Rawalpindi from constructing any such building on any part of the ground attached to the institute and that a copy of the above resolution was sent to Government on the 27th November, 1931? What action have Government taken on that resolution?

(e) If no action has been taken so far on the resolution referred to in part (d) do Government now propose to take the action requested?

(f) Is it a fact that in disregard of all public protests, the Cantonment Authority, Rawalpindi, has commenced and is hurrying up the construction of the offices mentioned in part (b)? If so, are Government prepared to instruct the Cantonment Authority by telegraph to stop work till Government have enquired into the matter and given their decision?

Mr. G. M. Young: (a) The trust relates to the Institute building only, and not to the land adjoining it.

(b) Yes.

(c) A representation was received from some residents of Rawalpindi Cantonment.

(d) As the building of these offices in no way encroaches upon the conditions of the trust, Government do not propose to take any action on the resolution.

(e) No, Sir.

(f) Government have no information regarding the first part of the question. The answer to the second part is in the negative.

Sardar Sant Singh: May I know what was the area covered by this trust?

Mr. G. M. Young: As I have explained in my answer to the main question, the area is only the land on which the building stands. The rest of the site is not covered by the trust.

Sardar Sant Singh: May I know if at the time the trust was created whether the building was on the land or subsequently added?

Sirdar Sohan Singh: Is not there a compound wall all round that land?

Mr. G. M. Young: Yes, there is a compound, but it is not covered by the terms of the trust.

Sardar Sant Singh: May I know what the object of the trust was at the time it was created?

Mr. G. M. Young: The object of the trust was the inauguration and maintenance of this Lansdowne Institute, but the land did not go with it.

Sirdar Sohan Singh: Was not the land used for a recreation ground?

Mr. G. M. Young: That may be, Sir.

ENCROACHMENTS ON ADJOINING LAND OF HOUSES IN BENARES CANTONMENT.

663. ***Sirdar Sohan Singh:** (a) Is it a fact that notices have been issued by the Cantonment Authority of Benares to a number of house-owners that there existed some encroachment in their houses and that they should execute a lease for those encroachments or steps would be taken to resume the encroached portions of the land on which the houses stood?

(*b*) Is it a fact that some of the houses in which encroachments have been now detected have been existing in that condition for scores of years past?

(*c*) Will Government be pleased to state who has detected these encroachments and how?

(*d*) Why was no action taken about these alleged encroachments when permission to build those houses was originally given?

(*e*) Did the officer conducting the survey give the house-owners concerned an opportunity to contest the theory of encroachment?

(*f*) Is there any record of the "grants" of the land under those houses? If so, has this record been shown to the house-owners concerned?

(*g*) Are Government aware that this action has caused unnecessary harassment to the house-owners and do Government propose to issue instructions that these encroachments may be condoned? If Government are not prepared to take this action, how do they propose to have these encroachments regularised?

Mr. G. M. Young: (*a*) and (*b*). Government have no specific information.

(c) Such encroachments, if existing would have been brought to notice by the Special Lands Officer, whose duty it was to compare the actual areas in possession of the house-owners with the Government records. Any area in excess would be regarded as an encroachment.

(*d*) Presumably the encroachments were first noticed by the Special Lands Officer, when preparing the general land register of the Cantonment.

(*e*) It was not necessary. All land in Cantonments is presumed to be the property of Government, unless private title is established.

(*f*) Unless specific cases are quoted, I am afraid that I cannot answer this part of the question.

(*g*) Government are prepared to examine any case brought to their notice by the house-owner concerned. Resumption cannot in any case take place without the order of Government.

PROMOTION OF JUNIORS IN THE LOWER SELECTION GRADE IN POSTAL CIRCLES.

664. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Will Government be pleased to state the formula prescribed by the Director General, Posts and Telegraphs, for the information of all the Postmasters General in India for awarding the fifth vacancy in the lower selection grade in each circle to the juniors in preference to the senior passed officials?

(*b*) If no formula has been adopted, will Government be pleased to state the principle adopted by the Postmaster General, Punjab and North-West Frontier Circle, in giving the fifth vacancy to the juniors and how their position in the circle gradation list has been regulated?

Mr. T. Ryan: (*a*) The rule is that the first four of every five vacancies in each cadre will be filled by four senior candidates who have passed the lowest selection grade examination, and the fifth by a passed junior candidate. For fuller details I refer the Honourable Member to rule No. 4 of the Rules for the lowest selection grade examination of which I place an extract copy on the table.

(*b*) Does not arise, in view of the reply to part (*a*).

Extract copy of Rule 4 of the Rules for the Posts and Telegraphs Department Lowest Selection Grade Examination.

4. (I) Officials who have passed the examination, whether as *senior* or as *junior* candidates, will be eligible for promotion against vacancies in the Lowest Selection Grade, officiating, temporary or permanent, *in their own cadres* in accordance with the principles laid down below.

(II) The first four of every five vacancies in each cadre will be filled by four passed *senior* candidates and the fifth by a passed *junior* candidate.

Note.—A passed *junior* official will also be eligible for promotion against a vacancy intended for a passed *senior* official, but only when he becomes sufficiently senior to be considered for promotion under Rule 4 (III), and provided that his promotion in such a vacancy would not involve the supersession of any senior who did not have an opportunity of appearing at the examination.

(III) The relative seniority of passed *senior* officials, for purposes of their promotion to the Lowest Selection Grade, will be the same as shown in the gradation list, irrespective of the fact whether they passed the examination in the same year or in different years.

(IV) (*a*) *Junior* officials will be classified as follows :—

(i) Those who have already passed the examination for Inspectors of Post Offices and Head Clerks to Superintendents of Post Offices or for Inspectors, Railway Mail Service, and are approved candidates for promotion to the selection grade;

(ii) Those who were specially allowed to appear at the first Lowest Selection Grade examination, having already been selected to appear at the examination (since abolished) for Inspectors of Post Offices and Head Clerks to Superintendents of Post Offices or for Inspectors, Railway Mail Service, and who have actually passed the first Lowest Selection Grade examination;

(iii) Those who were specially allowed to appear at the second Lowest selection grade examination as *junior* candidates under rule 3 in the Director General's Special General Circular No. 16, dated the 18th August 1930, and who actually passed that examination or who pass the examination in the next chance specially granted to them; also those who appear as *junior* candidates under Rule 3 above and pass the examination.

(*b*) Junior officials in category (i) will be eligible for promotion to the Lowest Selection Grade in preference to junior officials in categories (ii) and (iii), and junior officials in category (ii) in preference to junior officials in category (iii).

(c) The relative seniority of officials in each category under Rule 4 for purposes of their promotion to the Lowest Selection Grade will be as follows :—

Category (i) : in the order in which their names were arranged on the waiting list at the time of the publication of the results of the first Lowest Selection Grade Examination for purposes of appointment to posts in the Inspectors' line.

Category (ii) : according to their relative seniority in the gradation list.

Category (iii) : according to their relative seniority in the gradation list irrespective of the fact whether they passed the examination in the same year or in different years.

Note.—Heads of Circles will maintain a waiting list showing separately these three categories of officials in the order shown above.

(V) When a vacancy, officiating, temporary or permanent, occurs in the Lower Selection Grade, the passed official most senior in the cadre *at the time* when the vacancy occurs will ordinarily be eligible for it, provided that he is in all other respects considered fit for promotion to the selection grade.

Note.—Rule 4 (V) will not apply when making purely local arrangements in cases of vacancies of not more than one month's duration. In such cases, the existing procedure of selecting the most senior fit official available on the spot (*i.e.*, in the Section, Branch, Office or station where the vacancy occurs) for promotion to the acting vacancy, will continue, except that, if there is a passed official available on the spot, he will be selected to officiate.

EMPLOYEES RETRENCHED ON THE NORTH WESTERN RAILWAY.

665. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Will Government please state the number of employees by communities who have been (i) discharged, and (ii) demoted on the North Western Railway on account of retrenchment during the year 1931?

(*b*) Will Government please state the number of employees by communities who have been asked to proceed on leave preparatory to retirement as a measure of retrenchment on the North Western Railway during the year 1931?

Sir Alan Parsons: (*a*) I would refer the Honourable Member to the reply given to question No. 324 asked by Shaikh Fazal Haq Piracha on the 12th February, 1932.

(*b*) Government have no information as to the number of men discharged or under notice of discharge to whom leave prior to retirement was granted.

PAUCITY OF MUSLIMS IN THE LOWER GAZETTED SERVICE OF THE NORTH WESTERN RAILWAY.

666. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Is it a fact that there is not a single Muslim in the lower gazetted service on the North Western Railway with the exception of one who is officiating as an Assistant Personnel Officer?

(*b*) If the reply to part (*a*) is in the affirmative, are Government prepared to inquire into the reasons for the paucity of Muslims in this service?

Sir Alan Parsons: (*a*) Yes.

(*b*) No. Appointments to the Lower Gazetted Service are made by Government essentially by promotion of selected subordinate irrespective of community.

MUSLIM PERSONNEL OFFICERS IN THE NORTH WESTERN RAILWAY.

667. ***Mr. Muhammad Muazzam Sahib Bahadur:** Will Government please state the number of Muslim and Non-Muslim Assistant Personnel Officers, Divisional Personnel Officers, Junior Assistants Personnel, Senior Assistants Personnel on the North Western Railway during the years 1925 to 1931, before and after the dates of Assembly meetings?

Sir Alan Parsons: Government regret that they are not prepared to supplement with figures for individual classes of establishment the information in regard to communal representation given in the Annual Report by the Railway Board on Indian Railways.

CREATION OF A POST OF CHIEF PERSONNEL OFFICER ON THE NORTH WESTERN RAILWAY.

668. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Is it a fact that the post of Chief Personnel Officer has recently been created on the North Western Railway when the Administration is seriously considering the question of retrenchment and economy?

(*b*) If the reply to part (*a*) is in the affirmative, will Government please state the necessity for burdening the revenue with heavy extra expenditure at such a juncture?

Sir Alan Parsons: (*a*) The post was created with effect from April, 1931.

(*b*) I would refer the Honourable Member to the replies given to questions Nos. 358 and 221 asked by Mr. Jagan Nath Aggarwal on the 16th September, 1931, and 10th February, 1932, respectively.

SUPERSESSION OF CERTAIN OFFICERS ON THE NORTH WESTERN RAILWAY.

669. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Is it a fact that Mr. T. B. Chandwani has recently been confirmed in the Senior Revenue Establishment of State Railways prior to his confirmation in the lower gazetted service resulting in the supersession of several European and Indian officers?

(*b*) If the reply to part (*a*) is in the affirmative, are Government aware of the discontent caused by his unparalleled supersession of the officers of the North Western Railway, and also state if Government are going to take any action in order to redress their grievances? If so, what?

Sir Alan Parsons: (*a*) Mr. T. B. Chandwani was promoted to the Superior Revenue Establishment of State Railways while officiating in the Lower Gazetted Service. He was selected by Government for promotion after full consideration of the claims of others who were also considered to be eligible.

(*b*) The reply is in the negative.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House whether it is not a fact that by the meteoric promotion of this officer, the hitherto undisputed claims of many worthy Local Traffic Service officers who, for years, have been officiating as officers have been overlooked?

Sir Alan Parsons: The promotion in this case was purely one of selection, and Mr. Chandwani was selected as being the best of the persons then available. Promotion of this kind cannot be claimed as a right by anybody.

Lieut.-Colonel Sir Henry Gidney: I know that, but will the Honourable Member inform this House whether in this and such promotions selection is the only deciding factor and seniority is not considered or whether seniority is also taken into account?

Sir Alan Parsons: So far as I am aware from the cases that have come to my notice or have come before me, they go entirely by selection.

Sir Alan Parsons: I am calling for certain information and will lay a reply on the table later.

DUTIES OF PERSONNEL OFFICERS AT THE HEADQUARTERS OFFICE, NORTH WESTERN RAILWAY.

676. ***Mr. Muhammad Muazzam Sahib Bahadur:** (*a*) Are Government aware of the duties entrusted to the Personnel Officer of the Headquarters Office, North Western Railway, Lahore?

(*b*) Is it a fact that the personnel matters of the subordinates on the North Western Railway are dealt with by European Officers and that of the officers is done by a Personnel Officer who is a Hindu and the Muslim Personnel Officer is entrusted with general duties?

(*c*) If the reply to part (*b*) above is in the affirmative, will Government please state whether they intend to appoint Muslim Personnel Officers in effective control of the personnel matters of staff?

Sir Alan Parsons: There are three Personnel Officers at the Headquarters Office of the North Western Railway. The distribution of duties between these officers is made by the Agent and Government see no reason to intervene in the matter.

REMOVAL OF THE NORTH-WEST FRONTIER CRIME REGULATIONS.

677. ***Maulvi Sayyid Murtuza Saheb Bahadur:** Will Government be pleased to state when the North-West Frontier Crime Regulations will be removed in pursuance of the recommendations of the Niamatullah Committee?

Sir Evelyn Howell: The Honourable Member presumably refers to the Frontier Regulations Enquiry Committee presided over by Mr. Justice Niamatullah. The recommendations of this Committee are still under the consideration of Government.

Maulvi Sayyid Murtuza Saheb Bahadur: Will Government be pleased to state as to when they will be in a position to arrive at a definite conclusion, because it is already too late?

Sir Evelyn Howell: I can give no information on that point.

Mr. Gaya Prasad Singh: In view of the introduction of reforms in the North-West Frontier Province, do Government propose to arrive at an early decision with a view to repeal the special Regulations which form the subject matter of this question?

Sir Evelyn Howell: Government propose to give the Provincial Council of the North-West Frontier Province an opportunity to discuss this question before taking any action.

Mr. K. Ahmed: Is it a fact that in this Report there is a note of dissent by the Chairman and some other member? If so, what are they?

(No answer was given.)

Mr. K. Ahmed: Since no answer is forthcoming, is it a fact that the difficulty arises, because the Chairman has given one finding and other members another finding contradicting themselves?

Sir Evelyn Howell: No, it is not a fact.

Mr. K. Ahmed: What is the reason then?

Sir Abdur Rahim: May I inquire if the Government have not considered that it will facilitate the working of the new reforms introduced into the North-West Frontier Province if these Regulations are repealed or modified simultaneously as recommended by that Committee?

Sir Evelyn Howell: Government have considered this question and are of opinion that it is essential to give the provincial representatives of the North-West Frontier Province an opportunity to discuss the whole question before they take action.

Sir Abdur Rahim: Have Government really any doubt that popular opinion will support or does support the recommendations of the Committee?

Sir Evelyn Howell: Clearly an expression of opinion is required.

Sirdar Harbans Singh Brar: Will the Government publish the Report before discussion takes place in the North-West Frontier Province.

Sir Evelyn Howell: It has been published.

Sardar Sant Singh: Is it not a fact that since the publication of the Report, no action has been taken to see that the Regulations have been used?

Sir Evelyn Howell: Certainly not.

Dr. Ziauddin Ahmad: In view of the fact that the Honourable Member said that the new Council will be given an opportunity to discuss the North-West Frontier Province Regulations, may I ask whether the Members will not be put under section 40 of one such Regulation which will debar them from speaking on that point at all? Section 40 is to the effect that Government can bind over any one for three years without giving any reason?

Mr. Gaya Prasad Singh: But they will be privileged there.

Dr. Ziauddin Ahmad: Will it be the privilege of the House?

(No answer was given.)

AMOUNT REALISED BY SALE OF STAMPS AND POSTCARDS IN THE NORTH-WEST FRONTIER PROVINCE.

678. ***Maulvi Sayyid Murtuza Saheb Bahadur:** What was the total amount of sale of postal stamps and postcards in the North-West Frontier Province, in the following months—October, November and December, 1931, and January, 1932, and that of the corresponding months of the previous year?

Mr. T. Ryan: The figures for the months in question in 1930, were Rs. 1,26,000; 1,17,000; 1,86,000 and 1,16,000; and in 1931, 1,07,000; 1,11,000; 1,45,000 and 1,24,000. The last figure is an approximate one only.

INVITATION OF KHAN ABDUL GHAFFAR KHAN TO A DURBAR IN PESHAWAR.

679. *Maulvi Sayyid Murtuza Saheb Bahadur: (*a*) Is it not a fact that Khan Abdul Ghaffar Khan was not invited to the Durbar held at Peshawar just before last Christmas?

(*b*) Was there any mention of the introduction of reforms in the invitations issued for the Durbar?

(*c*) Is it not a fact that the son of Abdul Ghaffar Khan has contradicted the rumour that Khan Abdul Ghaffar Khan was invited to the Durbar and he refused?

(*d*) If the invitation was sent to Khan Abdul Ghaffar Khan, will Government be pleased to state the date and to what address the invitation was posted? Was it sent in a registered cover? Was the acknowledgment received by Government and, if so, by whom was it signed?

Sir Evelyn Howell: (*a*) It is not a fact.

(*b*) No; but that the recipient of the invitation was aware of the object of Durbar is clear from the nature of the proceedings at the meeting held by the Provincial Congress Committee at Utmanzai on the 20th December.

(*c*) Government have no knowledge of any such contradiction which, if issued, would have been untrue.

(*d*) Dr. Khan Saheb wrote on the 21st December stating that as his brother was unwell neither he nor his brother, Abdul Ghaffar Khan, would be able to attend the Durbar. A copy of his letter is laid on the table.

Residence,
3, Michni Road.

Consulting Rooms.
Bazar Kalan.
Peshawar City,
21st Dec. 1931.

DEAR CAPTAIN BARNES,

Thanks very much for your letter in connection with the Durbar. I have just come back from the village with my brother, he is not feeling well and we both won't be able to attend the Durbar. I am sorry for not writing earlier but I did not know whom to write to.

Yours sincerely,

(Sd.) KHAN SAHIB.

To

Capt. H. A. Barnes,
Under Secretary to the Hon'ble the
Chief Commissioner, and Agent to the
Governor General, N.-W. F. P.

Maulvi Sayyid Murtuza Saheb Bahadur: Did the Government take the trouble of ascertaining whether it was a fact that he was not keeping well and fit?

(No answer was given.)

Mr. Gaya Prasad Singh: Are Government aware that the non-attendance at the Durbar by Khan Abdul Ghaffar Khan was brought up as a charge against him by the Chief Commissioner of the North-West Frontier Province?

Sir Evelyn Howell: Government are not aware of that fact and do not believe it to be true.

Mr. Gaya Prasad Singh: Is it a crime for a man to refuse to attend a Durbar even when invited?

Sir Evelyn Howell: Certainly not.

APPOINTMENT OF ASSISTANT CONTROLLERS ON THE NORTH WESTERN RAILWAY.

680. *Mr. Lalchand Navalrai: (*a*) With reference to Government's reply to question No. 385 on 16th February, 1932, will Government be pleased to state if it is not a fact that the official approval of the Agent to the appointment of these Assistant Controllers was obtained before they were confirmed?

(*b*) Will Government be pleased to explain what is meant by personal approval of the Agent referred to in the aforesaid reply?

(*c*) Is the Agent's personal sanction constitutionally essential to the confirmation of a subordinate as the Assistant Controller?

(*d*) Is it a fact that constitutionally some appointments on the Divisions are controlled by the Headquarters office and not personally by the Agent?

(*e*) Is it a fact that Col. Walton, the Agent of the North Western Railway, approved of and gave sanction to the confirmation of these Assistant Controllers, or at least the orders were issued over his signature?

(*f*) Is it a fact that Mr. Highet who temporarily took over charge in the absence of Col. Walton on leave interfered with the previous decision of the Agent's Office on the plea of a mistake and gave notices to these Assistant Controllers that they should not consider themselves confirmed?

(*g*) Will Government be pleased to state where lies the mistake?

(*h*) Are Government aware that Assistant Controllers in particular and the Railway staff in general feel extremely distracted at such official ways?

(*i*) Do Government propose to advise the Agent of the North Western Railway to stick to his original decision of confirming these Assistant Controllers?

Sir Alan Parsons: (*a*) No.

(*b*) Approval given by the Agent personally.

(*c*) No.

(*d*) Certain appointments in Divisions are controlled by the Headquarters Office which is the office of the Agent, but these need not necessarily come before the Agent personally. It is open to the Agent to rescind any order issued from the Headquarters Office if in his opinion it is proper to do so.

(*e*) No.

(*f*) The confirmations were countermanded by orders of Mr. Highet after full consideration when the matter came under his review.

(*g*) The confirmations had been made without a sufficiently complete examination of the position.

(*h*) Government have no information.

(*i*) No.

Mr. Lalchand Navalrai: Does the Honourable Member remember that the answer to a similar question was that the Government were awaiting a reply from the Agent? Has that reply come?

Sir Alan Parsons: I am afraid I must ask the Honourable Member to give me notice: I do not remember exactly which of his previous questions he is referring to.

Mr. Lalchand Navalrai: The Honourable Member may be told that it was with respect to the Agent deciding whether the confirmations will be restored to these men or not: the reply was that communication was going on between the Agent and the Government. Has there been any reply to that effect?

Sir Alan Parsons: I am afraid I have not got the details in my recollection: I am afraid I must ask the Honourable Member for notice.

CIVIL AVIATION ESTABLISHMENT IN THE IMPERIAL SECRETARIAT, NEW DELHI.

681. ***Mr. S. C. Mitra** (on behalf of Mr. Nabakumar Sing Dudhoria): Will Government be pleased to state:

(*a*) the amount that has been spent on civil aviation establishment in the Imperial Secretariat, New Delhi, since its establishment;

(*b*) whether there are any experts in aviation matters among the staff;

(*c*) if so, the name or names of such people; and

(*d*) the pay and emoluments enjoyed by each?

The Honourable Sir Joseph Bhore: (*a*) The expenditure incurred on the establishment employed in the office of the Director of Civil Aviation since its constitution in January 1927, up to the 31st March 1932 will amount to Rs. 4,58,536.

(*b*) Yes.

(*c*) and (*d*). 1. Mr. F. Tymms, M.C., Director, pay Rs. 2,500 per mensem; 2. Mr. N. Vintcent, D.F.C., Deputy Director, pay Rs. 1,500 per mensem.

INDIANS TRAINED AS AVIATION EXPERTS.

682. ***Mr. S. C. Mitra** (on behalf of Mr. Nabakumar Sing Dudhoria): Will Government be pleased to state:

(*a*) the names of Indians who have been trained as aviation experts by the Government;

(*b*) the place or places where they are posted at present;

(*c*) whether those experts have done any flying since they have been appointed;

(*d*) whether they have been provided with machines for flying occasionally to keep them in practice;

(*e*) the nature of duties that those experts are performing normally at present;

(*f*) the number of Indians that are being trained abroad at present for aviation purposes;

(*g*) whether the Aero Club of India receives any financial assistance from the Government of India; and

(*h*) if so, the sort of control Government exercises on that club?

The Honourable Sir Joseph Bhore: (*a*) and (*b*). Under the scheme sanctioned by the Government of India for the training of Indians in Civil Aviation in England, seven scholars, *viz.*, Messrs. D. Chakraverti, G. S. Subramaniam, K. M. Raha, M. G. Pradhan, S. M. Ally, Man Mohan Singh and Gurdial Singh, have completed their course of training. The first four are at present in Government employ as Aerodrome Officers and have been posted as follows:

1. Mr. D. Chakraverti, Rangoon (Mingaladon).
2. Mr. G. S. Subramaniam, Allahabad (Bamrauli).
3. Mr. K. M. Raha, Calcutta (Dum Dum).
4. Mr. M. G. Pradhan, Karachi Air Port, Drigh Road.

(*c*) None so far as Government is aware.

(*d*) No.

(*e*) Regulation and control of air traffic; maintenance of aerodromes and collection of landing and housing fees, rents and other Government dues.

(*f*) Two.

(*g*) Yes. The Aero Club of India and Burma has been in receipt of a Government grant of Rs. 30,000 per annum from the year 1928-29. The grant was reduced in 1931-32 to Rs. 20,000 and it has been decided to reduce it still further, in 1932-33, to Rs. 16,000.

(*h*) The Aero Club of India and Burma, Limited, functions as a central co-ordinating agency between the Government of India and the subsidised flying clubs in India, and the grant of the Government subsidy is made on certain conditions which allow of Government exercising a general control over the activities of that Club. The Club works in close association with the Government on all matters connected with the flying clubs.

Mr. Gaya Prasad Singh: Are Government aware that there is a general complaint that the Indian air officers are not given a chance of flying in order to keep them in practice?

The Honourable Sir Joseph Bhore: I do not quite know to whom my Honourable friend refers when he speaks of Indian air officers.

Mr. Gaya Prasad Singh: I am speaking of officers of whom mention has been made in part (*c*) of the question. They are in charge of aerodromes.

The Honourable Sir Joseph Bhore: They are aerodrome officers and not air officers, and Government could not possibly provide them with facilities for flying as suggested in the question. They could not for instance possibly provide an aeroplane for them.

Mr. Gaya Prasad Singh: May I take it then that there is no Indian air officer in this country whose duties are connected with actual flying operations?

The Honourable Sir Joseph Bhore: No, Sir; I have explained the duties of the officers in the reply I have just given.

ECONOMY AND SAFETY IN ELECTRIC LIGHTING AND POWER SUPPLY.

683. ***Mr. Nabakumar Sing Dudhoria:** Will Government be pleased to state:

(*a*) whether their attention has been drawn to an article entitled "Economy and Safety in Electric Lighting and Power-supply in India" by Prof. B. C. Chatterjee, Head of the Department of Electrical Engineering, Benares University, in which he has raised the general plea for economy and safety in the matter of electric consumption in this country; and

(*b*) if so, whether they are prepared to consider through an expert committee the learned professor's suggestions for protective devices as introduced in foreign countries and Indian States and the means to ward off the increasing number of electrical accidents in this country?

The Honourable Sir Joseph Bhore: (*a*) Yes.

(*b*) I invite the Honourable Member's attention to the reply given to part (*c*) of starred question No. 4 on the 26th January 1932. The Government of India propose to await the receipt of the reports to which I referred in that reply before proceeding further in the matter.

APPOINTMENT OF INDIAN CHRISTIANS IN GOVERNMENT OF INDIA DEPARTMENTS.

684. ***Dr. F. X. DeSouza:** (*a*) Will Government be pleased to state the number of Indian Christians both in the upper division and the lower division of the Government of India Departments and their subordinate offices? (The number should be given Department by Department.)

(*b*) Is it a fact that in some of the Departments the representation of Indian Christians is quite inadequate in both the divisions mentioned in part (*a*) above?

(*c*) Is it a fact that the Indian Christian community now forms the third largest community in India? Do Government propose to instruct their Departments to appoint Indian Christians in future in both the divisions till their representation is adequate?

The Honourable Sir James Crerar: (*a*) I have not got separate figures for the upper and the lower divisions of the Secretariat and its attached offices but statements showing the communal strength of the clerical staff of these offices are prepared annually and placed in the library. I would refer the Honourable Member to the statements of 1930 in the library.

(*b*) The statements will show the percentages for each department. On the total the percentage of Indian Christians in the Secretariat is 2·04 per cent. and in the attached offices 1·64 per cent.

(*c*) The population of Indian Christians according to the latest census is 5,979,609 and on the basis of religion it is the 5th largest community in India. Government do not consider that any special instructions of the kind suggested are required.

RECRUITMENT OF MINOR COMMUNITIES IN GOVERNMENT OF INDIA DEPARTMENTS.

685. ***Dr. F. X. DeSouza:** What method have the Government of India to see that their instructions regarding recruitment of minor communities in various Departments of the Government of India and their subordinate offices are duly observed by the heads of offices?

The Honourable Sir James Crerar: I would refer the Honourable Member to the reply given in this House to question No. 848 on the 28th March, 1930. The returns mentioned therein are placed regularly in the Library.

APPOINTMENT OF A NON-CHRISTIAN IN THE ARCHÆOLOGICAL DEPARTMENT.

686. ***Dr. F. X. DeSouza:** (*a*) Is it a fact that a vacancy occurred in November, 1931, in the Archæological Department on account of the transfer of an Indian Christian to the Medical Directorate, Army Headquarters?

(*b*) Is it a fact that the vacancy has been filled by the appointment of a non-Christian? If so, why?

(*c*) Was due publicity given to this vacancy as was done in 1929? If not, why not?

(*d*) How many Indian Christians did actually apply for this post?

Sir Frank Noyce: (*a*) Yes, a temporary one.

(*b*) Yes, a non-Christian was appointed in this vacancy for about a fortnight but from the 20th January 1932 the post has remained vacant.

(*c*) The Public Service Commission will be consulted in the usual course if it is decided to fill this post by recruitment.

(*d*) Three.

SELECTION OF MEN FOR RETRENCHMENT IN GOVERNMENT DEPARTMENTS.

687. ***Mr. S. C. Mitra:** Will Government please state:

(*a*) what principles have been adopted for the selection of men for retrenchment;

(*b*) the number of posts in each grade retrenched in each Department of the Government of India Secretariat; and

(*c*) how far the principles referred to at part (*a*) have been observed in each case?

The Honourable Sir George Schuster: (*a*) I would invite the Honourable Member's attention to part (*a*) of the reply given by me on the 17th February, 1932, to Mr. Lalchand Navalrai's starred question No. 409.

(*b*) The Honourable Member will find the effect of retrenchment in each Department in the Demands for Grants for 1932-33 and in the retrenchment statements to be circulated therewith.

(*c*) Government have no reason to believe that the principles referred to have not been observed.

Mr. Lalchand Navalrai: Sir, I rise to a point of order. I would request the Chair to lay down a practice that if any replies are laid on the table, they should first be read out so that we may be in a position to put further supplementary questions. If on the day the questions are put the replies are also given at the same time, we will get an opportunity to put supplementary questions. I am therefore obliged to ask for a ruling from the Chair that the answers to the questions which will be laid on the table should first be read out to the House so that we may have an opportunity to put supplementary questions to get more information in connection therewith.

Mr. K. Ahmed: Sir, I want to ask a question on the point of order . . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. You cannot ask any question when a point of order is raised.

Mr. K. Ahmed: If replies are not given to questions at the same time, will the Chair be pleased to enlighten the House as to what is the practice in the House of Commons? (Laughter.)

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. The Honourable Member has access to all the literature that is available on the subject, and the Chair is not here to enlighten Honourable Members on questions, which they could solve for themselves.

As regards the point that the Honourable Member, Mr. Lalchand Navalrai has raised, he ought to know that supplementary questions are intended to elicit further information when the answer is given. When the answer is laid on the table, the occasion for asking supplementary questions has passed. The replies laid on the table are printed in the proceedings and if any Honourable Member wishes to obtain more information on the subject he should give notice to get it. The procedure which is now followed is quite correct.

Mr. Lalchand Navalrai: Sir, I want to . . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order: the ruling having been given the Honourable Member cannot say anything more.

RETRENCHMENT IN THE FINANCE DEPARTMENT.

688. ***Mr. S. C. Mitra:** Is it not a fact that the Finance Department has delayed carrying out retrenchments in the Finance Department itself? If so, why have retrenchments been delayed?

The Honourable Sir George Schuster: The Honourable Member will see the effect of retrenchments made and proposed by the Finance Department in the Demands for Grants for 1932-33 and in the Retrenchment Statement circulated with them. No personal considerations whatsoever have delayed the implementing of retrenchment decisions. Account must, however, be taken of the work in hand, and the full retrenchments cannot be realised until the heavy seasonal work of the Budget is completed, and the special task of giving effect to the decisions as regards retrenchment in all branches is completed also. Nevertheless the Department has already dispensed with half the permanent posts offered for abolition, while work connected with the Budget has never since the reforms been done with a smaller staff than has been engaged this year.

PERMANENT LOCATION OF THE SECRETARIAT IN NEW DELHI.

689. ***Mr. S. C. Mitra:** (*a*) What will be the additional income from rents during the summer if offices were permanently located in Delhi?

(*b*) What will be the interest on capital cost of the new scheme for water supply?

(*c*) Will not the permanent location of the Secretariat at Delhi result in a net saving to Government?

(*d*) Do Government propose to make any announcement as regards their intentions for the permanent location of the Secretariat at Delhi? How long will the new water supply scheme take to complete?

The Honourable Sir James Crerar: The material for a complete answer to this question is being collected and will be given to the House as soon as possible.

Mr. B. Das: Is it a fact, Sir, that the Chief Engineer to the Government of India stated that the water consumption in New Delhi for officers is about 100 gallons per head?

(No answer was given.)

Shall I repeat the question, Sir? Is it a fact that the Chief Engineer to New Delhi in the Honourable Member's Department appeared before the Executive Council and made a statement there to the effect that the water consumption for officials in New Delhi is 100 gallons per head and there would be a water shortage and therefore there should be the Simla exodus?

The Honourable Sir Joseph Bhore: I am not aware, Sir, that he made that statement at all.

Mr. B. Das: May I know from the Honourable Member what is the water consumption per head in New Delhi?

The Honourable Sir Joseph Bhore: If the Honourable Member will give me notice of that question, I shall supply him with the information that he requires.

Mr. B. Das: Is it not in the knowledge of the Honourable [illegible] that it was published in the Press that the Simla exodus was not going to be stopped and that Mr. Brebner had made a statement before the Executive Council that the water supply in New Delhi would be insufficient?

The Honourable Sir Joseph Bhore: The proceedings of the Executive Council Sub-Committee are confidential and the Press were not authorised to publish that statement, nor am I in a position to state whether the information published by the Press is correct or not.

Sirdar Harbans Singh Brar: Is it not a fact that when New Delhi was in the course of construction, 50,000 coolies were working in this city, and filtered water was found to be sufficient for all during the whole year, and when the present population is much less, what is the difficulty about the water being sufficient for the whole population?

The Honourable Sir Joseph Bhore: I am not in a position to go into the question of population without due notice. It deals with figures and I regret to say that I have not all those figures at my fingers' ends.

BAD STATE OF REPAIR OF ROADS BETWEEN DELHI AND NEW DELHI.

690. ***Mr. S. C. Mitra:** Are Government aware that roads leading from New Delhi to Delhi city are in a very bad state of repair? Who is responsible for their maintenance—the Public Works Department or the Municipal Committee?

Sir Frank Noyce: I place on the table of the House a statement giving particulars regarding roads leading from New Delhi to Delhi City.

Statement showing particulars regarding roads leading from New Delhi to Delhi City.

Road.	Condition.	Authority which maintains the road.
1. Connaught Place to Ajmere Gate.	Good up to the junction of the Circular Road, from where it is not so good.	New Delhi Municipal Committee, except for a small portion near Ajmere Gate which is maintained by the Delhi Municipal Committee.
2. Connaught Place to Sadar Bazar, known as the Qutab Road.	Good	Up to the Hardinge Serai, by the New Delhi Municipal Committee, from thence by the Delhi Municipal Committee.
3. Delhi-Muttra Road .	Good	The portion of the road which connects New Delhi with Delhi City is maintained by the New Delhi Municipal Committee.

THELA TRAFFIC IN NEW DELHI.

691. ***Mr. S. C. Mitra:** Is it a fact that no arrangements exist for *thela* traffic in New Delhi and that *thelas* are not allowed to ply on tarred roads?

Sir Frank Noyce: There is at present no restriction on *thela* traffic in New Delhi.

RETRENCHMENT IN THE OFFICE OF THE CHIEF ENGINEER, DELHI.

692. ***Mr. S. C. Mitra:** Is it a fact that in the scheme for retrenchment, the Chief Engineer, Delhi, has allowed for the reduction of a large number of subordinate staff and left the officers' staff as it was?

The Honourable Sir Joseph Bhore: No. Certain officers' posts have also been retrenched.

RETRENCHMENT IN SUBORDINATE OFFICES.

693. ***Mr. S. C. Mitra:** Will Government please furnish a statement showing separately retrenchments carried out in offices subordinate to each department of the Secretariat and the percentage in each case of reduction to total cost?

The Honourable Sir George Schuster: I would refer the Honourable Member to the retrenchment summaries to be circulated with the Demands for Grants for 1932-33.

LETTER TO MAULVI MUHAMMAD SHAFEE DAOODI *RE* HIS VISIT TO THE NORTH-WEST FRONTIER PROVINCE.

694. ***Sardar Sant Singh:** (*a*) With reference to the reply given by the Foreign Secretary to starred question No. 169 of the 10th February, 1932, will Government kindly state if the letter dated 9th January, 1932, was the only letter written by the Foreign and Political Department to Maulvi Muhammad Shafee Daoodi, relating to his visit to the North-West Frontier Province?

(*b*) Is it a fact that another letter previous to the one dated the 9th January, 1932, was delivered to Maulvi Shafee Daoodi on the evening of the 8th January, 1932, at the residence of Maulana Ahmed Said, Secretary, *Jamiat-ul-Ulama*, in a sealed cover from the Foreign and Political Department, bearing post marks of different dates prior to the 9th January, 1932? Will Government kindly lay a copy of this letter or all other letters on the table?

Sir Evelyn Howell: (*a*) No, Sir.

(*b*) Two other letters dated respectively the 5th and 20th January, 1932, were sent to Maulvi Shafee Daoodi. Copies of these are laid on the table. No other letters were sent to him.

Confidential.

Foreign and Political Department,

New Delhi;

The 5th January, 1932.

MY DEAR MAULVI,

I have been in conversation on the telephone with the Chief Commissioner of the North-West Frontier Province, and he desires me to convey to you and through you to one or two other members of the All-India Muslim Conference now in session at Delhi an invitation to visit the North-West Frontier Province and see conditions there for yourself. If you accept this invitation he would only ask that you would go straight to Peshawar and while in Peshawar would be guided by his advice as to the places which you should visit and generally the persons to whom you should give interviews. If you decide to accept this invitation, will you please let me know as soon as possible.

Yours sincerely,

(Sd.) E. B. HOWELL.

To

Maulvi Muhammad Shafee Daoodi, M.L.A.,

C/o The Editor, "Alaman" (Maulvi Mazhar-ud-din),
Delhi.

Camp, Peshawar,

20th January, 1932.

MY DEAR MAULVI,

I have discussed again with the Chief Commissioner your suggestion that you and Mr. Mazhar-ud-Din might visit Haripur jail, but is quite sure that, if you did so the only effect would be to cause excitement amongst the prisoners, however mistaken might be the grounds on which that excitement would rest and thus delay the process of reconciliation and release which is now beginning. I am afraid therefore that you had better cut out this portion of your proposed itinerary. I hope, however, that you have no reasonable cause of complaint as you have apparently been wherever you wished to go all over the place and seen whatever you wished to see.

As regards the alleged excesses I would ask you to bear two facts in mind: first, that Government has set its face against these as strongly as possible from the very start and second, that any tendency to give undue publicity to such incidents as may have occurred can only have a bad effect. It is in fact playing into the hands of the local Congress by widening the breach between the Government and the people of the Province which all of us are anxious to see closed up as soon as possible.

The Chief Commissioner joins with me in thanking you for the spirit in which you have approached your task and for various suggestions of value in connection with releases and other matters of which he has taken note. If you can now induce your friends of the intelligentsia and of other shades of opinion to come forward in open co operation with Government to accelerate the processes incidental to the introduction of reforms, we shall have still further cause for gratitude.

Yours sincerely,

(Sd.) E. B. HOWELL.

To

Maulvi Muhammad Shafee Daoodi, M.L.A.,

C/o Legislative Assembly Department, New Delhi.

Sardar Sant Singh: May I draw the attention of the Honourable Member to this envelope bearing the seal of the Foreign Office, which bears the post mark 5th January, 1932? May I know what was the letter contained in this envelope?

Sir Evelyn Howell: Did the Honourable Member say that it bore the date 5th January, 1932?

Sardar Sant Singh: Yes.

Sir Evelyn Howell: Presumably it contained the letter of the 5th January, 1932.

Dr. Ziauddin Ahmad: May I know, Sir, how the Honourable gentleman got hold of this envelope?

Maulvi Muhammad Shafee Daoodi: Will the Honourable Member inform the House whether the permit given to us to visit the Frontier was due to a resolution of the Working Committee of the All-India Muslim Conference passed in Delhi on the 3rd and 4th January, 1932, appointing Maulana Mazharuddin and myself to find out the actual condition of affairs in the Frontier and make our report to the Working Committee?

Sir Evelyn Howell: Yes, Sir.

Maulvi Muhammad Shafee Daoodi: Is not the suggestion that the initiative in the matter—I mean the actual initiative—was taken by the Chief Commissioner of the North-West Frontier Province, absolutely unfounded?

Sir Evelyn Howell: I do not think so, Sir.

Maulvi Muhammad Shafee Daoodi: Is it a fact that after the receipt of your letter dated the 5th January, 1932, by me, I approached you the next day and protested against the restrictions imposed upon the visit of the members of the All-India Muslim Conference by the Chief Commissioner of the North-West Frontier Province?

Sir Evelyn Howell: Not precisely, Sir. As far as I recollect, my letter of the 5th January did not reach the Honourable Member until the 8th, and on the morning of the 9th he came to me and said he did not like the wording of the letter with regard to the conditions on which the invitation was extended. We discussed the matter and a revised edition was drawn up with his consent, which has already been laid on the table and published.

Maulvi Muhammad Shafee Daoodi: Is it a fact that you said in reply that the letter had been written in haste to catch me here in Delhi on the 5th January, and you would modify the terms?

Sir Evelyn Howell: I believe that is so.

Maulvi Muhammad Shafee Daoodi: Is it a fact that you further stated that no visitors to the Frontier Province in the conditions in which the province was could be allowed to go unless they agreed to abide by the restrictions considered reasonable by the Chief Commissioner?

Sir Evelyn Howell: I have no recollection of making that statement, Sir.

Mr. M. Maswood Ahmad: Was the information that the Foreign Secretary had modified the restrictions imposed by the Chief Commissioner on the visitors conveyed to Maulana Ahmad Sayeed of the Jamiat-ul-Ulema the same day, *i.e.*, 9th January before the visitors started for Peshawar?

Sir Evelyn Howell: I did not catch the Honourable Member.

Maulvi Muhammad Shafee Daoodi: I conveyed the information that very day.

Mr. B. Das: Who is answering the question—the Foreign Secretary or Maulvi Muhammad Shafee Daoodi?

Sir Abdur Rahim: Are special permits still needed for any one visiting any part of the North-West Frontier Province?

Sir Evelyn Howell: No.

Mr. M. Maswood Ahmad: Was the statement supplied to the Associated Press through the office of my Honourable friend in charge of the Foreign Department? The Associated Press message says that these men went there on an invitation from the Chief Commissioner?

Sir Evelyn Howell: Certainly an invitation was extended by the Chief Commissioner.

Mr. M. Maswood Ahmad: Was this information supplied by the Department?

Sir Evelyn Howell: Presumably.

Maulvi Muhammad Shafee Daoodi: Will the Honourable Member kindly say whether the initiative in the matter was taken by the Chief Commissioner, or that the Muslim Conference had initiated the matter and the Chief Commissioner might have been consulted and things like that, which I do not know, and then the invitation was extended?

Sir Evelyn Howell: As I have already said, I think it is rather hard to define exactly what is meant by initiative, but the actual course of procedure, so far as I am aware, that was followed was this. When it appeared in the Press that the All-India Muslim Conference had charged my Honourable friend and another gentleman with the duty of finding out the actual state of things in the North-West Frontier Province, an invitation to visit that province and find out the state of things was extended to him by the Chief Commissioner through me in the letters which I have laid on the table. The Honourable Member did not answer those letters, but he went to the province. So, presumably he accepted the invitation.

Mr. B. Das: With reference to the battery of supplementary questions put by my Honourable friend Maulvi Muhammad Shafee Daoodi to the Honourable the Foreign Secretary, may I know if some of those supplementary questions came out of the documents that have been already placed on the table, or he was referring to private conversations he had with the Honourable the Foreign Secretary?

Sir Evelyn Howell: The Honourable Member has seen the two letters which I have sent him. No other Member has seen them. I do not quite follow the rest of my Honourable friend's question.

Mr. B. Das: My Honourable friend (Maulvi Muhammad Shafee Daoodi) was also referring to certain private conversations he had with the Foreign Secretary . . . . .

Mr. President: Is the Honourable Member asking a supplementary question?

Mr. C. S. Ranga Iyer: On a point of order, Sir. I believe my Honourable friend Mr. B. Das, the Chief Whip of my Party, has raised an important issue to be answered by you, Sir, for future guidance, for my Honourable friend Maulvi Muhammad Shafee Daoodi in the course of his supplementary questions clearly stated, "You told me" and so on. Therefore, is it in order for any Honourable Member to use the privilege given under supplementary questions to repeat on the floor of this House certain private conversations and secure confirmation thereof?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member knows very well the kind of supplementary questions that are put and answered. The Honourable Member did not raise a point of order before. When a supplementary question is put, it is open to any Honourable Member to get up and raise a point of order as to whether it was a proper supplementary question. Such points cannot arise at this stage.

MACHINERY LOST IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

695. ***Mr. Muhammad Anwar-ul-Azim:** Will Government be pleased to mention the total value of the patent parts of the rotary machines lost from the Government of India Press, Aligarh, and what action was taken against the official in whose custody the machines were?

The Honourable Sir Joseph Bhore: Certain parts were missing from the rotary machines and were replaced by local manufacture at a cost of Rs. 27. The amount was recovered from the printing foreman, the assistant foreman and the crews of the machines.

RETRENCHMENTS IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

696. ***Mr. Muhammad Anwar-ul-Azim:** (*a*) Are the authorities of the Government of India Press, Aligarh, complying with the orders regarding the reductions passed by the Government of India? If not, are Government prepared to send further instructions to the authorities of the Government of India Press, Aligarh, to save the men who have got a few years permanent service against those who have completed more than 25 years service?

(*b*) Is it a fact that the claims of the employees of the Government Press, Aligarh, who were brought under reduction, were not considered against the employees who served the Department for more than 25, 28 and 30 years and who were able to obtain the full benefit of their services, if so, why?

(c) Is it a fact that the employees who were brought under reduction were ready to serve on reduced pay but that they were not considered for re-employment; if so, why?

(d) Will the Government be pleased to give the number of all the employees who have got 28 years service and whether at the time of reduction the authorities of the Press gave any consideration to those employees?

The Honourable Sir Joseph Bhore: The information has been called for and will be placed on the table of the House in due course.

THE NORTH WESTERN RAILWAY CO-OPERATIVE CREDIT SOCIETY.

697. ***Shaikh Sadiq Hasan:** (a) Has the attention of Government been drawn to an article in the *Pilot*, Lahore, dated 10th February, 1932, headed "North Western Railway Co-operative Credit Society"?

(b) Will Government be pleased to place on the table a statement showing the total number of members of the North Western Railway Employees' Co-operative Credit Society?

(c) How many of them are Muslims?

(d) What is the total number of Directors and how many of them are Muslims?

(e) Do Government propose to allot seats for Muslims in the Directorate of the Society according to their proportion in the membership? If not, why not?

Sir Alan Parsons: Government have not seen the article referred to. The North Western Railway Co-operative Credit Society is not, however, administered by Government and I would suggest that the Honourable Member should address the Secretary of the Society for the information he desires.

RETRENCHMENTS IN THE RAILWAY DEPARTMENT.

698. ***Shaikh Sadiq Hasan:** (a) Has the attention of Government been drawn to an article published in the *Pilot*, Lahore, dated 10th December, 1931, under the caption "Thirty years' service"?

(b) Do Government propose to turn out people having completed 30 years' service or 52 years' age, from the Railway Department?

(c) If so, what steps are being taken by Government and how many such people have been discharged up to 31st January, 1932?

(d) If not, are Government aware of the serious results of turning young people out of employment?

Sir Alan Parsons: (a) Government have not seen the article.

(b) No.

(c) Does not arise.

(d) Government appreciate the results of turning people of any age out of employment.

APPOINTMENT OF MUSLIMS ON THE NORTH WESTERN RAILWAY.

699. ***Shaikh Sadiq Hasan:** (a) Has the attention of Government been drawn to an article headed "Lahore Division" published in the *Pilot*, dated 10th February, 1932?

(b) Will Government be pleased to state what the total number of officers working in the North Western Railway, Lahore Division, is?

(c) How many of them are Muslims?

(d) What steps do Government propose to take to increase the number of Muslim officers in Lahore and other Divisions, where there is a paucity of Muslims?

Sir Alan Parsons: (a) Government have not seen the article.

(b) and (c). Government regret that they are not prepared to supplement with figures for individual Divisions of Railways the information in regard to communal representation which is given in the Annual Report by the Railway Board on Indian Railways.

(d) Recruitment of officers is made for State Railways as a whole and at the time of recruitment the policy of Government for the redress of communal inequalities is followed.

Dr. Ziauddin Ahmad: May I ask whether the Honourable Member made any effort to get a copy of this paper and read it?

Sir Alan Parsons: I have had several other questions mentioning this particular paper and I was only on one occasion able to get a copy of it.

Dr. Ziauddin Ahmad: Has not the Railway Board a publicity office? Is it not their duty to supply all these articles to the Member in charge, especially when questions are asked?

Sir Alan Parsons: It is distinctly not part of their duties to supply such copies.

Dr. Ziauddin Ahmad: When certain papers are referred to, is it a fact that Government never read them?

Sir Alan Parsons: On the contrary, the Director of Public Information sends copies of cuttings from newspapers to the departments concerned.

Dr. Ziauddin Ahmad: Did the Honourable Member make any effort to get this paper from the Publicity Office?

Sir Alan Parsons: I presume my office tried to do so.

Dr. Ziauddin Ahmad: The Honourable Member here is speaking for his office.

Mr. President: The Honourable Member is arguing.

Dr. Ziauddin Ahmad: I should like to know why the Honourable Member did not take the trouble to get a copy from the Publicity Office and give a reply to us?

Sir Alan Parsons: I do not know if the Honourable Member's suggestion is that I should go myself to the Director of Information to get a copy of this paper. If so, I certainly do not expect that duty to be required of me.

Mr. K. Ahmed: In view of the fact that the questioner has definitely put the question, what steps do Government propose to take to increase the number of Muslim officers, because there is a paucity now? Do Government propose to send for the paper and see the article quoted by the questioner and why don't Government try to read it before answering the question.

Sir Alan Parsons: The questioner can satisfy himself on this point from the statistics furnished by the Administration Report to which I have referred.

Mr. M. Maswood Ahmad: Do Government propose to get a copy from the Director of Public Information?

Sir Alan Parsons: No, Sir.

Sir Cowasji Jehangir: When an article is referred to in a question by an Honourable Member, is it or is it not the duty of the Government to read that article in order to supply the information asked for in the question?

Sir Alan Parsons: I have not been able to obtain a copy of it, Sir.

Sir Cowasji Jehangir: Is a department like the Railway Department, along with a Director of Information under the service of Government, not able to obtain a copy of a paper which is available to every Honourable Member of this House?

Sir Alan Parsons: I am not aware that this particular paper is available to every Member of this House. On this particular occasion apparently my office failed to obtain a copy of a month old newspaper.

Sir Cowasji Jehangir: Will the Honourable Member go into the working of that part of his own department, which supplies such information?

Sir Alan Parsons: I will look into the arrangements to see whether they require any change, but I know that no Government department is likely to have all the papers published in India, irrespective of their circulation or importance.

Mr. Gaya Prasad Singh: Why don't you ask the questioner himself to supply a copy of the paper?

EMPLOYMENT OF ORIYAS ON THE BENGAL NAGPUR RAILWAY.

700. ***Mr. B. N. Misra:** (*a*) Are Government aware that the entire portion of the Bengal Nagpur Railway runs in the Oriya country between Kharagpur and Chicacoal Road on one side and Kharagpur and Jharasugura on the other with eight branch lines amounting to 60 per cent. of the entire line?

(*b*) If not, what proportion of it runs in the Oriya country to their knowledge? Will Government be pleased to make an enquiry from the Bengal Nagpur Railway management and communicate the result?

(*c*) Are Government aware that in the portions referred to above there are not even 2 per cent. of Oriya employees and even 1 per cent. of Oriyas in the entire lines? If so, what are the reasons therefor?

(*d*) Are Government aware that several representations were made by the Oriyas to the Bengal Nagpur Railway authorities complaining about the difficulties of the Oriya passengers and asking for the removal of the same by employing a fair number of Oriyas on the staff?

(*e*) Is it a fact that the Bengal Nagpur Railway management has not taken any steps to employ even 5 per cent. of Oriyas in the portions referred to above? If so, what are the reasons therefor?

(*f*) If information is not available with Government, will they be pleased to make an enquiry from the Bengal Nagpur Railway authorities and communicate the result to the House?

Sir Alan Parsons: (*a*) and (*b*). Of the sections mentioned by the Honourable Member, approximately 55 per cent. of the mileage lies in Orissa.

(*c*) to (*f*). Government have no information, and as they do not propose to interfere with the discretion of the administration of the Bengal Nagpur Railway in the matter of the employment of Oriyas, they are not prepared to make the enquiries suggested by the Honourable Member. I may add, however, that the Agent, Bengal Nagpur Railway, has informed Government that sympathetic consideration is given to the claims of Oriyas for employment.

Mr. Gaya Prasad Singh: In view of the fact that the Bengal Nagpur Railway passes through predominantly Oriya country, do Government propose to take any steps to increase the number of Oriyas employed in that railway?

Sir Alan Parsons: The steps which we are prepared to take were explained a few days ago in the course of the Railway Budget discussion.

Mr. B. N. Misra: Is the Government aware that in every Government Department such as a Collectorate, District Court, Police, Post office and Educational Department, there are cent. per cent. Oriyas and, if so, why in the Bengal Nagpur Railway alone there is no such percentage mentioned?

Sir Alan Parsons: I am not aware of the facts mentioned by the Honourable Member about the percentage in other offices.

UNSTARRED QUESTIONS AND ANSWERS.

RECRUITMENT IN THE OFFICE OF THE ASSISTANT DIRECTOR OF ORDNANCE SERVICES (PROVISION).

133. **Mr. S. C. Mitra:** (*a*) Will Government be pleased to say whether it is a fact that the clerical establishment of the Assistant Director of Ordnance Services (Provision), Army Headquarters, was separated from

that of the main branch of the Master-General of the Ordnance, and exempted from the operation of the Staff Selection Board in respect of First and Second Division clerks? Was this exemption made on the ground that recruitment for the office was essential from among experienced non-commissioned officers of the Indian Army Ordnance Corps and storekeepers and assistant storekeepers of arsenals?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to say from which arsenals Messrs. Badri Lal, an upper time-scale assistant, and Manohar Lal, a lower time scale assistant, in the Assistant Director of Ordnance Services (Provision's) office, were recruited?

Mr. G. M. Young: (*a*) The clerical establishment of the office is self-contained for purposes of internal administration. Recruitment for the First Division is ordinarily made from civilian storekeepers of the Indian civil wing of the Indian Army Ordnance Corps and up to a maximum of eight from British units; while recruitment for the Second Division is ordinarily made from the lower division clerks of the Indian Army Service Corps.

(*b*) Mr. Badri Lall was not recruited from an arsenal. Mr. Manohar Lall was recruited from the Ferozepore Arsenal.

RELATIVES IN THE OFFICE OF THE ASSISTANT DIRECTOR OF ORDNANCE SERVICES (PROVISION).

134. Mr. S. C. Mitra: (*a*) Will Government be pleased to state whether in violation of previous Government orders to this effect, the element of relatives in the office of Assistant Director of Ordnance Services (Provision) is daily on the increase?

(*b*) Will Government be pleased to state the present number of relatives in the office of the Assistant Director of Ordnance Services (Provision)? Have not Messrs. Badri Lal and Manohar Lal brothers in that office?

Mr. G. M. Young: (*a*) No.

(*b*) A brother of Mr. Manohar Lall and two cousins of Mr. Badri Lall are employed in the office. No other members of the staff are related to each other.

PAY OF THE CASHIER IN THE OFFICE OF THE ASSISTANT DIRECTOR OF ORDNANCE SERVICES (PROVISION).

135. Mr. S. C. Mitra: (*a*) Will Government be pleased to say whether in accordance with existing orders a cashier of an office can be a higher grade clerk than Second Division, with a cashier's allowance of Rs. 50 per mensem?

(*b*) If the answer to part (*a*) above be in the negative, will Government be pleased to state whether Mr. Manohar Lal, who is a First Division clerk, is employed as cashier of the office of Assistant Director of Ordnance Services (Provision)?

(*c*) If the answer to part (*b*) above is in the negative, will Government be pleased to mention the name of the cashier and whether he is in receipt of the cashier's allowance; if not, why not?

Mr. G. M. Young: (*a*) No.

(*b*) and (*c*). Mr. Manohar Lall performs the duties of cashier, but these form only a small portion of his work. He does not draw a cashier's allowance nor does any other clerk in the office.

APPOINTMENT OF SUPERINTENDENT IN THE OFFICE OF THE ASSISTANT DIRECTOR OF ORDNANCE SERVICES (PROVISION).

136. Mr. S. C. Mitra: Are Government prepared to consider the desirability of lifting the ban now placed on suitable First Division assistants at present in the main branch of the Master General of the Ordnance, under which the latter cannot compete for appointment as Superintendents in the office of the Assistant Director of Ordnance Services (Provision)?

Mr. G. M. Young: The matter is under consideration and it is expected that a decision will be reached shortly.

REDUCTION OF CLERICAL APPOINTMENTS AND APPOINTMENT OF SUPERINTENDENTS IN THE OFFICE OF THE ASSISTANT DIRECTOR OF ORDNANCE SERVICES (PROVISION).

137. Mr. S. C. Mitra: (*a*) Will Government be pleased to say whether quite recently six clerical appointments in the office of the Assistant Director of Ordnance Services (Provision) (*viz.*, two First Division, two Second Division and two Third Division clerks) have been brought under reduction in order that two appointments of Superintendents could be sanctioned by Government?

(*b*) Is it a fact that the arrangement mentioned in part (*a*) is the outcome of a strong representation from Col. Dickins, Assistant Director of Ordnance Services (Provision) that the existing staff was inadequate to deal with the work in the office?

(*c*) Is it a fact that Mr. MacDonald, the so-called "expert", also supported the case for increased staff?

Mr. G. M. Young: (*a*) and (*b*). Six clerks have been temporarily replaced by men from arsenals on lower rates of pay. These men have not been replaced in the arsenals. Two appointments of Superintendent have been created as they were necessary for the efficient supervision of work in the office.

(*c*) These arrangements were supported by Mr. MacDonald.

ALLEGATIONS AGAINST MR. MANOHAR LALL, A CLERK IN THE OFFICE OF THE ASSISTANT DIRECTOR OF ORDNANCE SERVICES (PROVISION).

138. Mr. S. C. Mitra: Will Government be pleased to state:

(*a*) whether Mr. Manohar Lall recently came to Delhi from Simla with the file dealing with the sanction for two Superintendents?

(*b*) whether they are aware that he had two draft Government letters with him;

(*c*) whether they are aware that he had succeeded in withdrawing from the file, immediately it came out of the Financial

Statement showing the number of sub-offices in each district in the Dehra Dun Division and the communal composition of the staff placed in charge of them.

	Saharanpur.		Dehra Dun.		Mussoorie.		Remarks.
(b)	15		9		5		
	Hindus.	Muslims.	Hindus.	Muslims.	Hindus.	Muslims.	
(c)	10	4	8	*Nil.*	5	*Nil.*	Anglo-Indians work at Chakrata and Roorkee.

APPOINTMENT OF A MUHAMMADAN AS TOWN INSPECTOR OF POST OFFICES, MUSSOORIE.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): I lay on the table the information promised in reply to part (*b*) of starred question No. 404 asked by Khan Bahadur Haji Wajihuddin on the 17th February, 1932, regarding the appointment of a Muhammadan as Town Inspector of Post Offices, Mussoorie.

(*b*) It is the case that the post has not been filled by a Muhammadan, but there is no reason to ascribe this to communal bias. As regards the second part, it is not a fact that the Hindu clerks who have been acting are junior.

TRAVELLING ALLOWANCE PAID ON TRANSFER TO A SUPERINTENDENT OF POST OFFICES IN MYSORE.

Mr. T. Ryan (Director General, Posts and Telegraphs): I lay on the table the information promised in reply to starred question No. 327 asked by Kumar Gupteshwar Prasad Singh on the 13th February, 1932, regarding travelling allowance paid on transfer to a Superintendent of Post Offices in Mysore.

(i) and (ii). The facts are not quite as stated by the Honourable Member. Only the re-transfer of Mr. Scott O'Conner to Mysore was made at his own request. He was deprived of travelling allowance for his journeys to Malabar and back.

(iii) Yes, the transfer being made at the request of the officer in question.

(iv) In August 1928 on his transfer from the Central to the Madras Circle Mr. Scott O'Conner was posted to the Travancore Division (Headquarters at Quilon;; on his way he was diverted to the Godavari Division (headquarters at Rajahmundry) to take over charge from another officer in urgent need of relief. He was subsequently allowed to proceed to his permanent destination at Quilon. In March, 1929, in connection with a chain of leave arrangements the opportunity was taken to meet the wishes of Mr. Scott O'Conner for a transfer from Quilon. On both occasions the circumstances did not warrant the officer being denied his travelling allowances.

THE BUDGET FOR 1932-33.

The Honourable Sir George Schuster (Finance Member): Sir, I rise to present the Budget for 1932-33 in circumstances which are somewhat unusual. The House is already familiar—almost painfully familiar—with the main features of the present financial situation, and a special occasion has already been taken to ask for the supplies which six months ago we considered to be necessary in order to carry us safely through next year. As His Excellency the Governor General has already announced, we do not propose to ask the House at the present stage to approve any extensions or modifications of the plan for raising revenue which we put forward last September. A Budget speech must therefore lack much of the interest which normally attaches to it. Nevertheless a very important part of the financial business still remains to be performed—the voting of the actual grants for expenditure—while the occasion is an appropriate one for attempting a general review of the financial position. I should indeed be failing in my duty if I did not utilise this occasion to the full—for on the occasion of the emergency session it was impossible to put forward really accurate estimates of expenditure or to deal fully with a most important part of Government finance—the Ways and Means position. 12 Noon.

I must therefore ask Honourable Members to bear with me at some length on the present occasion, even though my speech may lack the interest—real even if painful—of an occasion for proposing new taxation.

2. *General Economic Position.*—I shall not attempt any exhaustive review of economic conditions, but a picture for the current year can be drawn in a few lines. Generally speaking the monsoon was favourable, and India has had quite a normal year as regards agricultural production. Yet her exports and imports have fallen in value to a bare half of what they were two years ago. Exports of merchandise for the first 10 months of the current year amounted in value to Rs. 134¾ crores as against Rs. 265 crores for the first 10 months of 1929-30, while the value of merchandise imported has fallen from 201 to about 105 crores. These are staggering figures, and indicate the extent to which our present difficulties are due to low prices produced by world conditions. The most striking falls in exports for the period mentioned are in Jute and Jute products which have fallen from Rs. 69 crores to Rs. 28½, and raw cotton which have fallen from just under 51 crores to 20½, while as regards imports, the most notable cases are cotton manufactures which have fallen from 49·67 to 15·86 crores, and sugar which has fallen from 13·8 to 4·9 crores.

Nevertheless, in spite of this enormous fall in the value of trade, our favourable trade balance, if movements of Treasure are included, for the first 10 months of this year is Rs. 71 crores as compared with Rs. 43 crores for 1929-30. Here is the significance of the export of gold.

As an indication of our higher rates of taxation I may remind the House that this year we have collected for the 10 months about Rs. 29 crores of import duties on Rs. 105 crores of imports, as compared with about Rs. 33 crores of duties on Rs. 201 crores of imports for 1929-30.

These are the salient facts in the situation. They tell their own story, and provide the clue to the whole of the account of our finances which I have now to give.

If Honourable Members wish to study the position more closely I would add that, following the practice which I initiated last year, I am

Adviser's room, the draft that was approved by all, and substituting for it the one that eventually issued from the Army Department; and

(*d*) whether the expression "provisional" used in the letter was unauthorised and whether as a result of this Mr. Manohar Lal was promoted to the upper time scale?

Mr. G. M. Young: (*a*) Yes, with the knowledge of the Assistant Director of Ordnance Services (Provision).

(*b*) Two drafts were on the file, one embodying the original proposals and one prepared after the proposals had been modified by the Army Department.

(*c*) No. The orders issued were in accordance with the decision of Government.

(*d*) Does not arise.

HOUSE RENT ALLOWANCES OF DUFTRIES AND PEONS.

139. Shaikh Fazal Haq Piracha: (*a*) **Is it a fact that the duftries and peons in the Secretariat are paid a house rent allowance of Rs. 1-8-0 in Delhi and Re. 1 in Simla?**

(*b*) If so, will Government please state what is this difference due to?

(*c*) Are Government aware that house rents in Simla are much higher than in Delhi?

(*d*) If the reply to part (*c*) is in the affirmative, are Government prepared to reconsider the house rent allowance of peons and duftries in Simla?

The Honourable Sir James Crerar: (*a*) Yes.

(*b*) to (*d*). Until 1922 when the Delhi rate was raised from Re. 1 to Rs. 1-8-0 the house-rent allowance at both places was fixed at Re. 1. Government realise that the existing difference cannot be strictly justified but they are not prepared in present financial conditions to increase the allowance at Simla.

STATEMENTS LAID ON THE TABLE.

RETRENCHMENT IN ACCOUNTS AND AUDIT OFFICES.

The Honourable Sir George Schuster (Finance Member): I lay on the table the information promised in replies to starred questions Nos. 408 and 410 asked by Mr. Lalchand Navalrai on the 17th February, 1932, regarding retrenchment in Accounts and Audit Offices.

Information promised in replies to starred questions Nos. 408 and 410 asked by Mr. Lalchand Navalrai on the 17th February, 1932, regarding retrenchment in Accounts and Audit Offices.

408. Government have no reason to believe that injustice is being done to the men of the Audit and Accounts Offices under the Central Government in the selection of personnel for retrenchment.

410. (*a*) and (*b*). It is possible that cases of the kind mentioned by the Honourable Member have occurred, but it must be remembered that such selections are not necessarily incorrect. For example, men selected for retrenchment with under 10 years' service may be those whose work has been consistently unsatisfactory. In any case, the instructions issued regarding retrenchment are not absolute, but are subject to the general implication that they will be so applied as to produce the greatest economy and efficiency compatible with the least hardship to individuals. To secure efficiency it is essential to have a balanced residual staff, and therefore it may often be expedient to retain experienced senior men, oven if this means some reduction amongst those at the beginning of their service.

(*c*) Does not arise.

CLASSIFICATION OF WOMEN POLITICAL PRISONERS IN THE DELHI JAIL.

The Honourable Sir James Crerar (Home Member): I lay on the table the information promised in reply to starred question No. 435 asked by Mr. Gaya Prasad Singh on the 22nd February, 1932, regarding classification of women political prisoners in the Delhi Jail and the general discontent in the Jail.

The Honourable Sir James Crerar: (*a*) Fifty-one women have so far been arrested in Delhi in connection with the civil disobedience movement and the Ordinances. Of these 50 have been convicted while the case against one is still pending. Four have been placed in "A" Class, 34 in "B" and the remaining 12 in "C" Class; the classification rules have been followed.

(*b*) There is some over-crowding in the Delhi Jail, but arrangements are being made to construct a Camp Jail to provide for the over-flow of prisoners. A sufficient quantity of bedding and blankets is reported to be available for all prisoners.

(*c*) If there is any such report, Government have no reason to believe there is any truth in it.

TREATMENT OF UNDER-TRIAL LADY PRISONERS IN THE DELHI JAIL.

The Honourable Sir James Crerar (Home Member): I lay on the table the information promised in reply to starred question No. 451 asked by Mr. Bhuput Sing on the 22nd February, 1932, regarding the treatment of under-trial lady prisoners in the Delhi Jail.

The Honourable Sir James Crerar: No. All women prisoners, whether convicted or under-trial, are classified according to the rules.

SUB-POST OFFICES IN THE DEHRA DUN DIVISION AND COMMUNAL COMPOSITION OF THEIR STAFFS.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): I lay on the table the information promised in reply to parts (*b*) and (*c*) of starred question No. 401, asked by Khan Bahadur Haji Wajihuddin on the 17th February, 1932, regarding the number of sub-offices in each district in the Dehra Dun Division and the communal composition of the staff placed in charge of them.

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circulating a full report by the Director General of Commercial Intelligence and Statistics reviewing the trade statistics for 1931. I trust that this will be found of value.

3. *Last year, 1930-31.*—I will deal very briefly with last year's accounts. The actual results have shown a substantial improvement on the revised estimates which I gave last year. Revenue proved actually Rs. 84 lakhs larger than I expected and expenditure Rs. 26 lakhs less, so that the total result was Rs. 1,10 lakhs better—the actual deficit being Rs. 11·58 crores instead of Rs. 12·68 as anticipated.

REVISED ESTIMATES FOR 1931-32 AND BUDGET PROSPECTS FOR 1932-33.

4. Turning now to the position for the current year, and the prospects for next year, I need not remind Honourable Members of the circumstances in which we were forced during last September to undertake *interim* measures to fortify our budgetary position. According to our estimates at that time we should, on the existing basis of taxation, have had to face deficits of over 19 crores in each of the years 1931-32 and 1932-33. We hoped by our new measures of retrenchment and taxation to reduce the deficit for the current year to Rs. 10·17 crores, and for next year—when the effects of retrenchment would be fully felt and with the new rates of taxation applicable for a whole year—to realise a surplus of Rs. 5·28 crores.

But I emphasised in presenting the estimates in September that they could not, in the extremely uncertain circumstances then prevailing, be regarded as more than guesses, and that we looked to the estimated surplus for next year mainly as a reserve margin against this uncertainty. The actual Customs returns for the months since last September have made it necessary for us to revise our estimates.

As a result we now allow for a deterioration in the figures by about 3 crores for each year, and we anticipate that the current year will close with a deficit of 13·66 crores and that the surplus for 1932-33 will be Rs. 2·15 crores. This surplus of 2·15 crores, based as it is on severely reduced estimates of revenue, we regard as providing a reasonable margin of safety.

I would remind the House also of another consideration. For this year and next year combined we are providing from Revenue no less than 13·71 crores for Reduction or Avoidance of Debt. This of course in no way represents recurrent expenditure. Moreover in our case a provision for writing off our debt is a measure of a specially conservative nature, seeing that practically the whole of our debt is covered by productive undertakings which themselves make adequate financial provision against depreciation of the value of their capital assets. The matter may therefore be looked at in this way. If we combine the results for this year and next year our estimates show a net deficit of 11·51 crores. But as this is arrived at after providing 13·71 crores for Reduction of Debt, our recurrent receipts for the two years will exceed our recurrent expenditure by 2·20 crores.

If this result is achieved over two years of unexampled depression when practically every Government in the world is having to show very heavy deficits, we may, I think, justifiably regard the Indian financial position as comparatively sound.

COMPARISON OF PRESENT ESTIMATES WITH SEPTEMBER FORECASTS.

5. I will not attempt any detailed comparison of the present figures with the forecasts which I gave in September. The latter did not profess to be more than rough approximations, and we were not able to present detailed estimates under the various account heads.

The comparisons between the two may be broadly summarised as follows. As regards the current year we are reducing our estimates by Rs. 5 crores on Customs and Rs. 1 crore on Income-tax, and as against this we are reckoning on a net improvement under other heads of about Rs. 2½ crores. This leaves a deterioration of about Rs. 3½ crores, or, to be exact, Rs. 3,49 lakhs, which, added to our estimated deficit of Rs. 10,17 lakhs, brings the total to Rs. 13,66 lakhs.

	Lakhs.
For next year we are reducing our estimates for tax revenue and Opium receipts by	4,58
while the net result under other heads shows an improvement of	1,50
The net deterioration on balance is thus	3,08
which deducted from the previously estimated surplus of 5,23 lakhs gives a surplus of	2,15

The main improvement in the case of both years occurs under the Finance heads, and this is mainly due to the improvement in the Government's position as currency authority owing to the increased demand for currency.

ANALYSIS OF PRESENT ESTIMATES.

6. Having thus briefly summarised the main differences between the September forecasts and our present estimates, I must turn to a fuller exposition of the latter.

The broad picture may be presented as follows. So far as gross revenue and expenditure are concerned:

In crores of Rupees.

	Revenue.	Expenditure.
The results for 1930-31 are	124·60	136·18
Our Budget Estimate for 1931-32 was	134·87	134·86
Our Revised Estimate for 1931-32 is	120·77	134·43
Our Budget Estimate for 1932-33 is	129·96	127·81

I must, while giving these figures, remind the House that as they include gross interest payments and the counterbalancing receipts from commercial departments, they do not show the true picture as regards reduction in administrative expenditure.

I will now explain the position more fully as regards the main heads of Revenue and Expenditure.

REVENUE, 1932-33.

7. *Customs*—

	Lakhs.
The actual revenue (less refunds) for 1930-31 was	46,81
The Budget Estimate for 1931-32 was	56,46
The Revised Estimate for 1931-32 is	46,23
The Budget Estimate for 1932-33 is	52,31

The Budget estimate for next year is thus 4,15 lakhs less than the current budget estimate in spite of the fact that the increased and new

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duties imposed by the Supplementary Finance Act were expected to bring in additional revenue of 9¼ crores.

8. The main deterioration as compared with the current budget occurs under the heads of sugar, silver, cotton piecegoods and liquors. These require special mention.

The decrease in imports of sugar has been the most important single factor in upsetting our estimates. On the basis of the past five years' consumption it seemed that until the beginning of the current year a quantity of about 850,000 tons could be regarded as a normal figure for imports, excluding the sugar which enters over the land customs line at Viramgam. As against this we now in fact only reckon for the current year on imports of about 475,000 tons and about 500,000 tons for next year. This decrease may be partly accounted for by the increase in Indian production—a subject to which I shall return again—but it is mainly due to decrease of purchasing power.

As it may be argued that the increased duties have themselves been responsible for reduced consumption, I give the following figures which are interesting. In the first place the actual cost to the consumer, in spite of the recent increases in import duty, has on the whole declined over the last few years. The wholesale price including duty averaged about Rs. 312 per ton for 1926-27

289 per ton for 1927-28
273 per ton for 1928-29
258 per ton for 1929-30
237 per ton for 1930-31
255 per ton for the first six months of 1931-32.

For the five years from 1926-27 to 1930-31 the average amount of cash spent on the imports of sugar including the duty averaged about Rs. 23 crores, and this average kept up even till 1930-31, when the present crisis had begun.

Now, however, for 1931-32 and 1932-33 on the quantities and prices which we have allowed for in our estimates the total amount of cash spent on imported sugar *plus* duty will only be about Rs. 12¾ crores and Rs. 14½ crores respectively.

These figures indicate that it is a falling off in purchasing power and not any rise in the price of sugar brought about by our increased duties which has mainly affected consumption. Our estimates had allowed for a substantial decrease in consumption, but not so large as we feel we must now face. Under this head we are in fact down by Rs. 3,56 lakhs for the current year, and 2,16 for next year, as compared with the original budget estimates for 1931-32 on the basis of customs duties without the surcharge.

Silver, again, is an important factor in the decrease. For 1930-31 the duty actually collected was Rs. 2,33 lakhs, but for next year with the increased duty we are not counting on more than Rs. 1,60 lakhs. The former represented imports of 111 million ounces and next year's estimates only allow for 34 million ounces.

Apart from sugar or silver another most disappointing head has been cotton piecegoods. Here as compared with the 1931-32 Budget we are down in the current year by 1,96 lakhs and next year by 1,86 lakhs. Again in the case of liquors, we have had to reduce our estimate for the current

year by 88 lakhs, and for next year by 79 lakhs, as compared with the Budget estimate for 1931-32.

Results from New Import Duties.

9. It may be interesting at this point to add some comments on the operation of the new customs duties imposed in the Emergency Finance Bill of last September.

10. *Import Duty on Machinery.*—The new duty of 10 per cent. on machinery produced for the four months to end of January 1932 Rs. 35 lakhs and is estimated to produce up to March 31st a total of 49 lakhs, and for 1932-33 Rs. 1,00 lakhs. This compares with the estimates furnished in September of Rs. 52 lakhs for the current year and Rs. 1,03 lakhs for next year. On the current year's results it is therefore making a satisfactory showing in comparison with our estimates.

11. *Import duty on Raw Cotton.*—As regards the new import duty of ½ anna per pound on raw cotton, we have had to be more cautious in our estimates and to reduce substantially the figures from those anticipated at the time of the Emergency Finance Bill. Here we are now only counting on Rs. 16 lakhs for the current year and Rs. 32 lakhs for next, as compared with our original estimates of Rs. 43 lakhs and Rs. 87 lakhs respectively. Our reduced figures are based on estimates of imports of about 22,800 tons in the last six months of the current year (making a total for the year of about 72,000 tons) and of about 46,000 tons for next year. The need for caution in estimating was brought out by the fact that imports in the first three months after the duty was imposed fell to 6,500 tons as against 10,600 tons in the corresponding period of the previous year. The total quantity imported in the previous year was 58,000 tons. Taking these facts into account together with the shortage of this season's Indian crop and the present activity of the Indian mills, the figures on which we have now based our estimates for next year may be regarded as providing a distinct margin of safety.

As regards the general effects of the duty a precise estimate is difficult just now owing to the presence of a number of abnormal complicating factors.

Conditions in the world's cotton market have been abnormal, and this may equally be said of local conditions in India, as there has been a shortage of production owing to unfavourable weather conditions, with a resultant rise in prices for grades which are primarily exported and not affected by the import duty. Expert opinion, however, agrees that the imposition of the duty has been responsible for a definite improvement in the prices paid for staple cotton. The shortage of the Indian crop has been offset by a bumper crop in America, and it seems very probable that had the duty not been imposed American cotton would have been imported at cheap rates to the detriment of Indian agricultural interests. It is fortuitous circumstances of this kind that have been mainly responsible in the past for large imports of American or Egyptian cotton, where these have taken place; while it seems unlikely that the steady demand from Bombay for East Africans will be seriously dislocated by the duty. It is, of course, too soon to trace the effect of the duty on the actual development of the production of staple cotton in India, but I am confident that all interests concerned will soon realise that the import duty will do much to accelerate this desirable development. A particularly interesting point is that for progress on these lines it is reasonable to look towards

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the area that will be developed by irrigation from the recently completed Sukkur barrage. The general conclusion is that the effects of this duty have been definitely favourable to Indian interests.

12. *Import duty on Dyes.*—The other new duty imposed in September was on dyes. Here we now expect to get 20 lakhs next year against our September estimate of 17.

13. These three new import duties (on machinery, cotton and dyes) are therefore now expected to produce altogether 1,52 lakhs against our first estimate of 2,07—but, as I have said, the present provision allows for a very cautious estimate as regards cotton.

14. *Taxes on Income*—

	Lakhs.
The actual revenue (less refunds and share of Provincial Governments) for 1930-31 was	16,00
The Budget estimate for 1931-32 was	17,44
The Revised estimate for 1931-32 is	17,30
The Budget estimate for 1932-33 is	18,73

My present estimate of 18,73 lakhs for next year includes a payment of 23 lakhs by Railways, already referred to in the Railway budget. The House will recollect that according to our proposals for cuts in pay the new income-tax charges estimated in September were to be merged in the cut. This really had the effect that a Government employee was to be subject to a deduction of 10 per cent. made up of cut in pay *plus* income-tax combined. In the case of ordinary Government officials the whole of the deduction is treated as a cut in pay. But in the case of Railway employees we have decided for various reasons—chiefly connected with the position of the Company Railways—to treat them as meeting this deduction partly by way of the new income-tax charged and partly by way of cut. Therefore in the case of the Railway officials, Rs. 23 lakhs of the total deductions which they suffer by way of cut and tax combined is treated as income-tax receipts.

Excluding this special item of 23 lakhs, my present estimate for next year is only 1,06 lakhs more than the Budget estimate for the current year in spite of the fact that the increase in the rates of income-tax and the levy of income-tax for the first time on incomes between Rs. 2,000 and Rs. 1,000 were expected to yield an additional revenue of 3¾ crores. We have therefore made substantial allowance for deterioration in the general conditions of business in the current year.

Effect of recent increases and extensions of Income-tax.

The supplementary and extending Finance Act lowered the minimum income liable to income-tax from Rs. 2,000 to Rs. 1,000 and imposed a surcharge of 12½ per cent. in the current year on all rates of income-tax and super-tax. Unlike the changes in customs duty, these provisions only took effect when the Act actually became law, that is to say at the end of November last. So far as the taxation of the lower incomes in particular was concerned, extensive additions to our staff had then to be made to cope with the additional work. Some delay was inevitable in organising the new staff and in effecting the new processes of assessment. We have therefore not yet conclusive evidence as to what the yield of the taxation of the lower incomes will be in the current year. It is hardly probable that the assessments

will all be completed in the short time that remains while it is quite certain that the whole demand will not be collected this year. This will mean no more than throwing forward some of the revenue due on account of the current year into next year, and this has been allowed for in our estimates.

The imposition of the surcharge on assessments already made was of course a far simpler matter than the invasion of the new field of taxation offered by lower income, and here we anticipated a yield for the current year of Rs. 1,74 lakhs. Up to the end of January the demand on this account was Rs. 1,16 lakhs and collections Rs. 62 lakhs.

Income-tax Evasion.

There is one further point to which I must allude in dealing with income-tax. In my reply to the speeches made by certain Honourable Members in the course of the debate on the supplementary Finance Bill, which indicated a belief that evasion of income-tax was widespread and serious, I promised to enquire into the matter and endeavour to ascertain the facts.

I have had the whole subject reviewed and have taken stock of the weapons in our armoury to see whether due use was made of the powers which we have got and whether they required to be reinforced. I also invited suggestions, both in regard to evidence of evasion and in regard to measures for dealing with it, from the business community. On the first point, I cannot say that we have received any enlightenment. As to the second, while the response has not overwhelmed me, suggestions, for which I am grateful, have been elicited that merit consideration and will receive it. As a result of these suggestions and our own reflections we are feeling our way towards certain methods that I trust will prove valuable. In regard to their precise nature I am sure that the House will appreciate my motives for reticence. In vain is the net spread in the sight of the bird.

15. *Salt revenues*—

	Lakhs.
The actual revenue (less refunds) for 1930-31 was	6,83
The Budget estimate for 1931-32 was	7,05
The Revised estimate for 1931-32 is	8,48
The Budget estimate for 1932-33 is	9,43

I now estimate for an increase of 2,38 lakhs in 1932-33 as compared with the current budget, from the abolition of the Salt Credit System and the surcharge on the duty. In my September forecast I had only allowed for an improvement of 1,85 lakhs. The further improvement is due to the fact that the figures of salt issues so far in the current year do not indicate any drop in offtake which at one time we considered probable.

16. *Other Tax revenue*—

	Lakhs.
The actual revenue (less refunds) for 1930-31 was	1,10
The Budget estimate for 1931-32 was	1,15
The Revised estimate for 1931-32 is	1,05
The Budget estimate for 1932-33 is	88

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The fall of 27 lakhs as compared with the current budget is due mainly to the exclusion of the provincial revenues of the North-West Frontier Province.

	Lakhs.
17. *Opium revenue*—	
The actual revenue (less refunds) for 1930-31 was	2,53
The Budget estimate for 1931-32 was	2,16
The Revised estimate for 1931-32 is	1,08
The Budget estimate for 1932-33 is	1,33

The Budget estimate for 1932-33 is 83 lakhs less than the current budget, the reduction being due partly to our policy of reducing exports and partly to two of the foreign purchasing Governments not taking their quota in 1932. This has been an unexpected factor in worsening our estimates.

	Lakhs.
18. *Commercial Departments*—	
The actual net revenue for 1930-31 was	4,03
The Budget estimate for 1931-32 was	3,93
The Revised estimate for 1931-32 is	—1,39
The Budget estimate for 1932-33 is	—19

Honourable Members are already familiar with the position as regards the Railway Budget. We do not expect any contribution from Railways either in the current year or the next.

As regards Posts and Telegraphs, the loss in the working of the Department in the coming year, after allowing for the full effect of the retrenchment and taxation measures, is now expected to be about Rs. 16 lakhs. This does not, however, take into account the effect of the recommendations of the Posts and Telegraphs Accounts Enquiry Committee except in one small respect explained in the Finance Secretary's Memorandum. Whether the further recommendations are to be adopted is still under consideration by the Government, and we have announced that if we ultimately reach the conclusion that we ought not to accept any particular recommendations, we shall refer the points of difference for consideration by the Public Accounts Committee. I would, in this connection, remind Honourable Members of what I said in my Statement in this House on the Financial Position on the 29th September last. If all the recommendations of the Committee were accepted, the deficit of about Rs. 16 lakhs would be converted into a surplus of about Rs. 27 lakhs, but that would represent merely an adjustment in the Government accounts and no improvement as regards the financial position of the Government as a whole.

19. *Finance Heads.*—Here we must consider the general Finance headings, Interest receipts, Currency and Mint receipts, Interest on Debt and the provision for Reduction or Avoidance of Debt.

Before dealing in detail with these heads, I would mention that we have this year adopted a change in the accounting procedure in regard to discount on treasury bills, so as to include in the accounts of each year only that portion of the discount which has been earned during the year. In the case of bills issued to the Paper Currency Reserve we have similarly decided to take credit in the accounts of the year for the profit that has actually been earned during the year. The previously existing procedure, under which in the case of the latter class of bills the debit on

account of interest was taken in the accounts of one year and the corresponding credit for profit on note circulation in the following year, resulted in an inaccurate presentation of the financial results of the year, especially when the volume of bills outstanding was undergoing fluctuations. Apart from this, a credit on account of Gain on Exchange appears for the first time in the revised estimates of the current year, and is due to the decision to transfer to revenue each year the net credit or debit on account of exchange resulting from the year's transactions, which was hitherto kept in suspense as explained in the Financial Secretary's Memorandum.

	Lakhs.
20. *Under Interest receipts*—	
The actual receipts in 1930-31 were	3,38
The Budget estimate for 1931-32 was	2,92
The Revised estimate for 1931-32 is	2,25
The Budget estimate for 1932-33 is	1,80

The fall of over a crore in the budget of the next year as compared with the estimate for the current year is due to two facts. In the first place, we were able to supplement actual receipts in the current year by drawing 58 lakhs from the Gold Standard Reserve Revenue Equalisation Fund—the creation of which I explained in my Budget Speech of February 1930. There will be no balance left in this fund to be drawn upon next year. In the second place the proportion of interest-bearing securities in the fund to gold has now been substantially reduced.

	Lakhs.
21. *Under Currency and Mint*—	
The actual net receipts in 1930-31 were	27
The Budget estimate for 1931-32 was	—15
The Revised estimate for 1931-32 is	81
The Budget estimate for 1932-33 is	2,61

The improvement is almost wholly accounted for by the anticipated increased profit on note circulation due to the expansion of currency during the current year against treasury bills. I shall deal with this subject more fully in a later part of my speech. For the present I would remind Honourable Members that this merely represents a restoration of part of the reduction in currency profits which resulted from the much heavier contraction of the preceding two years.

It will be convenient on this occasion, in order to deal fully with the whole field of administrative expenditure to give here also the gross receipts under the heads "Currency and Mint."

	Lakhs.
The actual receipts in 1930-31 were	1,24
The Budget estimate for 1931-32 was	63
The Revised estimate for 1931-32 is	1,85
The Budget estimate for 1932-33 is	3,31
22. *Under Interest payments*—	
The actual net expenditure in 1930-31 was	11,28
The Budget estimate for 1931-32 was	11,99
The Revised estimate for 1931-32 is	13,14
The Budget estimate for 1932-33 is	13,11

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I estimate the total gross payments at 45,95 lakhs for ordinary debt and 8,87 lakhs for other obligations, recoveries from Railways and other Commercial Departments and the Provincial Loans Fund at 41,71 lakhs and total net payments at 18,11 lakhs. The increase in the net interest payments is due partly to the deficits in the years 1930-31 and 1931-32 and partly to the increase of the rate of interest allowed on Provident Fund balances from 5 per cent. in the current year to 5½ per cent. in the next. The increase is partly counterbalanced by a decrease in the interest payable on Railway Depreciation and Reserve Fund balances owing to fact that these have, as Honourable Members are aware, to be heavily drawn on for meeting the deficit in the working of the Railways.

23. *Under Reduction or Avoidance of Debt—*

	Lakhs.
The actual provision in 1930-31 was	6,15
The Budget estimate for 1931-32 was	6,78
The Revised estimate for 1931-32 is	6,89
The Budget estimate for 1932-33 is	6,82

As a large portion of our capital resources during the current year was found from Treasury Bills issued to the Paper Currency Reserve, and as these bills are excluded from the calculation of total debt for purposes of the Debt Redemption Scheme, the provision in 1932-33, instead of showing the usual increase, shows a reduction of 7 lakhs as compared with the Revised estimate for the current year.

24. *Other heads of revenue—*

	Lakhs.
The actual revenue in 1930-31 was	4,12
The Budget estimate for 1931-32 was	3,39
The Revised estimate for 1931-32 is	4,03
The Budget estimate for 1932-33 is	3,00

The deterioration of 39 in 1932-33 as compared with the current budget is chiefly due to the elimination of the provincial revenue receipts of the North-West Frontier Province and to a reduction in the receipts on Reparation account.

25. *Summary of Revenue Estimates.*—To sum up, the Budget for 1932-33 under the heads of Tax Revenue, Net Revenue from Commercial Departments, Opium Revenue and Other Revenue and the Finance headings shows as compared with the current budget:

	In lakhs of Rupees.	
	Better. +	Worse. —
Tax Revenue retained by the Central Government, i.e., excluding the transfer to the Road Fund	..	—88
Net Revenue from Commercial Departments	..	—4,12
Opium Revenue (gross)	..	—83
Finance headings	+41	..
Other revenue	..	—39
	+41	—6,22
	—5,81	

EXPENDITURE ESTIMATES.

26. *Summary.*—I must now turn to the expenditure side, but before going into details I will summarise the position so as to complete the other side of the picture to the Revenue summary which I have just given.

Civil Expenditure—

	Lakhs.
The actual Civil expenditure in 1930-31 was	24,93
The Budget estimate for 1931-32 was	23,34
The Revised estimate for 1931-32 is	22,65
The Budget estimate for 1932-33 is	20,65

Military Expenditure—

The actual Military expenditure (net) in 1930-31 was	54,30
The Budget estimate for 1931-32 was	52,00
The Revised estimate for 1931-32 is	51,76
The Budget estimate for 1932-33 is	46,74

From these figures it will be seen that total Civil and net Military expenditure in 1932-33 is estimated at 67,39 lakhs, which is 11,84 lakhs less than for 1930-31, and 7,95 lakhs less than the current budget.

To complete my comparison between the Budget for the current year and next year—according to the summary which I have given:

	Lakhs.
The reduction in net Receipts under the headings of Tax Revenue, Commercial departments, Finance heads, and other receipts is	5,81
While the net reduction in Civil and Military expenditure is	7,95
Thus accounting for a net improvement of	2,14
As the surplus in the current year's budget was Rs. 1 lakh, the surplus we are estimating in 1932-33 is	2,15

27. In considering the expenditure figures which I have just given I would ask Honourable Members to concentrate on the reduction of 11,84 lakhs from the actuals of 1930-31, for it is over the two years that our Retrenchment work must be assessed. Apart from this, I must point out that the figure of 7,95 lakhs, representing the reduction for next year's as compared with the current year's budget does not represent the full amount of our retrenchment measures.

The following points must be borne in mind in interpreting this figure.

First, it includes nothing for retrenchment measures in the Posts and Telegraphs Department, the results of which are of course merged in the net result on their working account, which is included in the Budget figures, not under Civil expenditure but under the Commercial Department head.

Secondly, the Civil expenditure figures were reduced by an abnormal item in the current year, because the amount for capital expenditure on the commercial departments charged to Revenue was actually a minus figure owing to receipts of 54 lakhs on the sale of the Indo-European telegraph undertaking. If capital expenditure is excluded from the comparison the reduction in Civil expenditure for 1932-33 as compared with the Budget for 1931-32 is 3,18 lakhs, and the total reduction for Civil and Military expenditure combined is 8,44 lakhs.

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Thirdly, there are changes in accounting and otherwise as between the current year and next year which must be taken into account in making a final comparison. These will be explained in the remarks which I have now to make on the retrenchment measures which have been actually effected.

28. *Retrenchment measures.*—I must now give some account of how we have given effect to the Retrenchment programme which was promised on my presentation of the Emergency Finance Bill. On this point I must ask Honourable Members to give their close study to the memoranda which we are circulating. These show in considerable detail how the Retrenchment plans have been worked out under each head of the Demands for Grants. It is only by studying these details that one can understand what is involved and what has been achieved. For my present purpose—unless I were to speak at interminable length—I must confine myself to the broadest outline. I will take Civil and Military expenditure separately.

Civil Expenditure.

29. In my speech on first introducing the Emergency Finance Bill in September I indicated that as regards civil expenditure (including Posts and Telegraphs) we hoped to achieve Retrenchment measures providing for a reduction of Rs. 3,25 lakhs, against which we allowed for terminal charges, compensation, etc., about Rs. 75 lakhs, so that we were reckoning on a net saving of Rs. 2,50 lakhs for next year. I elaborated this estimate somewhat in November, while the general forecast of expenditure which I then gave allowed for certain further reductions. The position which is revealed in the papers which I am now presenting may be summarised as follows:

	Lakhs.
On account of definite measures carried out in accordance with the recommendations of the Retrenchment Committees (for which my previous figure was Rs. 3,25 lakhs) the gross savings now incorporated in the Demands for Grants are	3,45
But on top of this we have insisted on further miscellaneous reductions amounting in all to	88
Thus producing total reductions of	4,33
As against this the cost of terminal charges now comes out at .	33
So that the net figure (to be compared with my earlier figure of Rs. 2,50 lakhs) is increased to	4,00

To this must be added the temporary saving on cuts in pay which for Civil heads—including the Posts and Telegraphs—we now put at 1,22 lakhs, instead of my former figure of 1,15.

30. The total saving on Retrenchment and cuts in pay on the Civil side including Posts and Telegraphs is thus 522 lakhs after allowing for terminal charges as against a figure of 365 which I estimated in September. Having arrived at this figure one is confronted by the fact—which perhaps Honourable Members do not always appreciate—that, even in times like this, expenditure cannot stand still, and that there is a constant swelling tide of increasing demands to be kept back. The various Retrenchment Committees working on the budget figures for 1931-32 could not of course make allowance for this.

In the first place there is the automatic increase imposed on our expenditure by the addition of increments to pay under the present time-scale system. This accounts for an unavoidable increase of Rs. 85 lakhs.

On top of this I have to provide for new expenditure under various heads which I will, for my present purpose, divide into two classes;

First, apparent additions to expenditure which do not represent real increases in the net cost of administration.

Secondly, unavoidable new outgoings.

31. Under the first head the following important items may be noted:

Nasik Printing Presses.—Here we are adopting recommendations made both by the General Purposes Sub-Committee and the Public Accounts Committee and in future will show in the accounts the gross figures of expenditure and receipts instead of, as formerly, a net figure of the surplus of receipts over expenditure. This means adding Rs. 22½ lakhs to the expenditure side—which is of course more than balanced by countervailing receipts.

Aden.—The Central Government is now taking over directly the administration of Aden from the Bombay Government. This adds Rs. 5 lakhs to the expenditure side, against which Rs. 6¼ lakhs are added to revenue.

Delhi Capital Account.—The Capital account has now been closed down and expenditure on the maintenance of buildings, etc., formerly charged to capital, has now to be borne on revenue. This adds Rs. 17 lakhs to the budgetary expenditure, which is in no sense a new item. Against this there are certain receipts of about Rs. 7 lakhs.

Payments to Travancore and Cochin Durbars.—Here there is an increase shown as expenditure of Rs. 9 lakhs accounted for by the increased share which these two Durbars have to receive from the customs collected at Cochin Harbour. This has to be treated as expenditure, but it is clearly not expenditure in the true sense.

Increased Income-tax Staff.—Again, in this class of expenditure I must mention Rs. 18 lakhs which represents the cost of the additional income-tax staff required for dealing with the 350,000 new assessees who are brought in by reducing the income-tax limit to Rs. 1,000. This is indeed increased expenditure, but it is of course essential, and is more than balanced by receipts. I would here note that the net increase under Income-tax is only about Rs. 12½ lakhs—the difference being accounted for by retrenchment in the existing staff.

Another item is Rs. 2 lakhs for developments at Khewra salt mine and other Northern India salt sources. This is balanced by our share in the special import duty on foreign salt.

Lastly I must include in this class an extra charge of about Rs. 8¼ lakhs for interest payable by the Posts and Telegraphs Department.

32. I will now turn to the second class of expenditure which really represents additional outgoings. Honourable Members may think that in these hard times we ought to have admitted nothing new, but certain items have been absolutely unavoidable.

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I will mention the following more important items:

Rs. 5½ lakhs for the Round Table Conference committees now touring in India.

Rs. 3½ lakhs representing the increased rupee equivalent of our contribution to the League of Nations due mainly to the fall in the gold value of the rupee. This is notable as being practically our only external obligation which has increased owing to this change in our currency.

Rs. 2 lakhs for the All-India Medical Council, and the Calcutta Hygiene Institute,

Rs. 6 lakhs for the inauguration of the new province in the North-West Frontier area.

Rs. 3½ lakhs for the Delhi conspiracy case, etc.

33. Altogether the items of unavoidable new expenditure of the class which I am now describing come to about Rs. 29 lakhs, while the apparent increase under the first class of items which I mentioned is about Rs. 89 lakhs—the total thus added to the expenditure side of the budget being Rs. 1,18 lakhs.

34. I have mentioned these items in order to explain how the position is complicated when an attempt is made to see how the retrenchments made affect the actual budgetary figures, but I would again refer Honourable Members to the detailed statements now circulated which show the exact position under each head of the Demands for Grants.

For the present I would remind them of the following broad facts, when they compare what we have achieved with the recommendations of the various Retrenchment Committees. The total recommended by the four civil Sub-Committees was Rs. 4,99 lakhs, and we have against this achieved economies of Rs. 4,33 lakhs or nearly 87 per cent.—before allowing for terminal charges which, of course, the committees did not take into account.

35. I would mention two other striking results in this connection. The first is the actual reduction in Expenditure. I have already given the figures from the accounts showing a reduction of 11,84 lakhs for Civil and Military Expenditure (excluding Posts and Telegraphs) since 1930-31. The position may also be stated in another way. If Honourable Members will look at the analytical table which is included in the Financial Secretary's memorandum (which is prepared now on a slightly different basis from that which I circulated in September) they will find that what I may describe as the net controllable administrative expenditure, civil and military (which excludes the cost of collection of taxes and of the administration of salt and Posts and Telegraphs expenditure) has been brought down from just over Rs. 76 crores in 1930-31 to just over Rs. 64 crores for 1932-33, a reduction of about 16 per cent.

The second fact is of a more distressing nature, but it indicates the magnitude of the effort which we have made. In pursuance of the retrenchment campaign the following appointments in the Civil Departments

(including Posts and Telegraphs) have been or will shortly come under reduction so far as information is at present available—

Gazetted officers	299
Ministerial establishment and other superior establishment	5,279
Inferior establishment	1,485
Total	7,063

36. *North-West Frontier Province.*—Before I leave the subject of Civil Expenditure I must make special reference to one substantial change in the estimates before the House this year. This arises from the change in the constitutional position of the North-West Frontier Province. The position is explained in detail in the Financial Secretary's Statement and for my present purpose I need merely summarise it by saying that a sum amounting to about Rs. 66¼ lakhs drops out from the Government of India receipts, representing the revenue for the area of the new Governor's Province, while, on the other side expenditure amounting to about Rs. 1,63½ lakhs is taken over by the Province. The net difference between these two figures is a deficit of about Rs. 97¼ lakhs, and as against this our proposal is that the Central Government should give a subvention of one crore to the new Province. It is a subvention on this basis which appears in the Demands for Grants placed before the Assembly. It has been fixed at a round figure and give the Province a small margin of about 2¾ lakhs. The subvention is to be operative for three years, or until the new Constitution for India is inaugurated—whichever is the earlier. In either event the position will again be reviewed.

The account which I have just given represents the position for a full year. For next year the position as set out in the Demands for Grants is slightly complicated for the following reason. We had anticipated that the new province would come into existence from the 1st April next, and we had made our financial arrangements accordingly. It has, however, been found impossible to get the elections over and the new Council into being until later in the month. Consequently, under the Government of India Act, the expenditure and revenue of the Province for the first part of the month of April constitute Central transactions. Honourable Members will observe from the form of the Demand for the North-West Frontier Province that we have therefore been forced to provide (*a*) for a certain amount of direct expenditure in the early part of April next, and (*b*) for virtually handing back to the province the revenue which we may collect during that period.

The problem of fixing the subvention on a fair basis just at the present time of economic disturbance has been one of great difficulty. In fact, had financial considerations alone to be taken into account, one would hardly have chosen the present time for the fixing of a subvention. On the other hand, it had to be done; and it seemed also necessary to fix it for a reasonable period, as it would have been impossible to impart any degree of financial autonomy to the province if the amount of the subvention had to be determined afresh from year to year. The North-West Frontier Province Subjects Committee faced the problem and indicated the various elements in the calculation. That Committee suggested a basic subven-

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tion of 1,17 lakhs; but they left it to the Government of India to make allowance in the revenue figures for the present low level of prices. Also, reporting as they did in the month of June last year, and relying for their material on the facts of the past, they naturally failed to adjust the figures to the lower level of expenditure now prevailing in all parts of India as a result of the present retrenchment campaign. We were fortunate, while dealing with this latter factor, to have had before us for the North-West Frontier Province the main propositions and figures of Sir Abdur Rahim's Retrenchment Sub-Committee. We concluded that the fair and proper course was to set out a budget for the North-West Frontier Province exactly as we should have framed it had the administration of the province been remaining with the Government of India. We, however, made allowance for the extra cost of the necessary administrative and legislative machinery, and for carrying out the recommendation of the Subjects Committee to transfer the management of Roads and Buildings to the local Public Works Department. Except in regard to these two matters, we had to recognise that any further increase of resources placed at the disposal of the North-West Frontier Province could be made only by withdrawing funds from other parts of India. The Government of India could hardly have contemplated a programme of expanding activities in that province while the rest of India is having seriously to restrict all its activities. In fixing the recurring subvention at the figure of a crore we have, I believe, dealt fairly with the new province, consistent with our responsibilities for other areas. With more direct contact with the administrative needs, the new provincial Government may, we hope, be in a position to make better use of the money than we have been able to from the Centre. So far as we are concerned, we shall be relieved of a responsibility which it has always been difficult for the Government of India to exercise—a difficulty which is felt in connection with the financial control of all the directly administered Central Areas by the Government of India, whose organization is really designed for purposes of a different nature.

Military Expenditure.

37. I must now turn to the Army Budget.

Revised Estimate, 1931-32.—The budget allotment for military expenditure in 1931-32, excluding the special grant for expansion of the Territorial Force, was Rs. 51·90 crores. 22 lakhs, representing the proceeds of the emergency cut on the pay of officers, has been surrendered, and the revised estimate now stands at 51·68 crores.

The military authorities have conducted their retrenchment campaign on an 18 months' plan, extending over the period from the 1st October, 1931 to the 31st March, 1933. Retrenchment on a large scale necessarily involves the payment of substantial terminal charges, and it was an essential part of the military programme to reduce expenditure in the last six months of the current financial year in order that credit might be taken in 1932-33 for the full effect of retrenchment. The military authorities were assisted here by a further fall in prices which will produce a saving of about 17 lakhs. With the help of this windfall His Excellency the Commander-in-Chief has been able, by insisting on general economy in expenditure and by introducing forthwith certain retrenchment measures which bring in immediate savings, to complete successfully the first stage of his programme. Apart from the formal surrender of the 22 lakhs on officers' pay, His Excellency has effected savings sufficient to meet the whole cost of employment of troops in the Burma rebellion and other disturbances (about 30 lakhs) without any additional grant, and to carry forward a sum of 21 lakhs which should suffice to cover terminal charges payable in 1932-33.

38. *Budget Estimate for 1932-33.*—In September last I informed the House that His Excellency the Commander-in-Chief had agreed, as the Army's contribution in the national emergency, to accept a cut of Rs. 5½ crores on his 1931-32 budget. I have now only to say that His Excellency has made good his undertaking in full, and that the estimate for the military budget in 1932-33, excluding again the special grant for the Territorial Force, stands at 46·65 crores.

Honourable Members will find among their budget documents an Army Department paper giving a detailed account of the methods by which this reduced figure has been reached. The total reduction, which is raised to 5½ crores to allow for certain unavoidable new items such as the establishment of the Indian Sandhurst, is made up of first, 1·40 crores from cuts in pay, secondly, 3·10 crores from retrenchment measures in recurring expenditure, and thirdly, 1 crore from postponement of progress with the special re-equipment programme. It is necessary to appreciate the exact significance of these savings. To take the first—the cut in pay, this, except for certain categories of British Army personnel (in regard to whom the reduction, following what has been done in England, is permanent), represents the general 10 per cent. cut which we have imposed on all Government servants, and, as we have undertaken that this cut will be restored as soon as conditions permit, most of this part of the reduction must be regarded as purely temporary. Turning to the second class, the retrenchment in recurrent expenditure, this to some extent is accounted for by special temporary savings, such as the eating down of stocks and postponement of essential buildings. As regards the third class, the postponement of the re-equipment programme, this cannot be regarded as permanently cancelled. It does, however, represent special non-recurring expenditure, and when conditions permit it will be necessary to consider special means for financing the completion of this programme.

The significance of these remarks may be indicated in the following way. As regards the cut in pay, when the general cut of 10 per cent. is removed this will automatically throw back on to the Army a recurrent liability of 1,23 lakhs—(1,40 less 17 which is a permanent cut). As regards the retrenchment in normal expenditure, about 65 lakhs of this represents savings which are not in the strict sense recurrent. About 20 lakhs represents drafts on stocks, etc., and 45 lakhs postponement of the provision for buildings which are regarded by the Army Department as essential. As regards the postponement of the re-equipment programme, the one crore saved on this for next year may have to be found later by some form of special non-recurring provision. The Army authorities have throughout made it clear that they have only agreed to postponement in order to help in meeting the present national emergency, and that the permanent cancellation of these measures could not—consistently with maintaining the efficiency of the Army—be

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effected. His Excellency the Commander-in-Chief has given an assurance that he will not relax his efforts to secure further reductions in recurrent expenditure both by pressing on with measures already accepted, and by developing any further lines that may present themselves, but he has made it clear that he does not see any hope of being able to find economies in normal expenditure, that is to say, economies from measures other than the reduction of fighting troops which raises quite different issues, which can go near to balancing the burden of 1.23 lakhs which would arise from restoring cuts in pay combined with the disappearance of the 65 lakhs of special savings on recurrent expenditure from next year. In support of this he points out that in spite of the intensive examination of all sources of economy both by his own officers and by the Retrenchment Committee, it was only possible to work up to the present reduction of 5¼ crores by reducing troops at a saving of 85 lakhs. Further, although provision has been made in the estimates for 1932-33 for some rise in the prices of food grains, as compared with those prevailing in 1931-32, the rates now taken are still far below the recent normal level, and, if prices should rise to, and be stabilised at, something like the 1929 level, this event, though welcome on general grounds would mean an automatic increase in the military estimates. On these considerations His Excellency wishes it to be made clear that he cannot regard the budget figure of 46·65 crores as representing a new *standard* level of standing charges, and that the normal cost of the Forces at their present strength when the cut in pay is restored must be recognised to be about 48 crores even if the prevailing low prices for grain, etc., continue. I have thought it right to let Honourable Members know the conclusions which His Excellency has drawn from the facts of the present situation, and I can only add that the Government will continue to press for all possible efforts to secure further recurrent economies, and that the campaign for retrenchment will not be regarded as finally closed with the achievements of this year.

39. *General Remarks on Retrenchment.*—I cannot turn from this review of expenditure without again paying a tribute to the work done by the various Retrenchment Sub-Committees. Honourable Members will possibly criticise us in the course of this debate for not having given sufficient effect to their recommendations. As a matter of fact I do not believe that, if they carefully study the papers which are now being put before them, they will be able to sustain this charge. But in any case, however much they may attack me, they will not be able to destroy the sense of gratitude which I feel to them for the assistance which they have given us in performing this very arduous and unpleasant task. For such of those Committees as have continued, even till this moment, their labours, the task must long ago have lost any glamour which it possessed. Nevertheless they have continued their pursuit with unfailing vigour. The task of retrenchment is not yet completed; much work still remains to be done in seeing that full effect is given to various measures now being inaugurated, while the search for new economies, and resistance to the pressure for new demands must be sustained for a long period to come. The main work as regards this must rest with the Government; and I trust that Honourable Members will believe me when I assure them that it will be continued without any failing of energy.

GENERAL REVIEW OF THE BUDGETARY POSITION.

40. Before I conclude my review of the Budgetary position I think it necessary to make certain general observations. The present occasion is an appropriate one to attempt something more than a mere bald enumeration of facts and figures and to take stock of the whole position. I say this for two reasons. In the first place we have in the last two years made some very important changes in our scheme of taxes, the effects of which ought to be carefully noted. In the second place the strain of the present economic crisis affords a good opportunity for testing the strength of the various parts of the structure on which our revenue depends.

41. There are two important points which such an examination reveals, first the effect of recent protective policy on revenue, and secondly, the direction in which reserve powers of taxation to meet an emergency can be exercised.

The Protective effect of our Import Duties.

42. I will take these points in order. It is in our import duties that the most significant changes have been made. Among the customs import duties the two largest individual items were until two years ago those on cotton piecegoods and sugar. The recent increases in these duties—which formerly were regarded only as revenue measures—would in any case, and apart from any decisions which the Legislature has taken or may shortly take in regard to them, have given to them a highly protective character. It is obvious that as the protective effect increases, their value as revenue producers must diminish. The facts as regards cotton piecegoods are well known; but they are so striking that they deserve repetition. Today we cannot reckon on more than about 900 million square yards of imports, as compared with an average of about 1,800 million yards for the post-war period up to 1929, and about 3,200 million yards before the war. It is on the present reduced quantity that we must rely for collecting duties. Taking the post-war years of normal prosperity and post-war prices, say 1922-23 to 1928-29, the average annual amount of import duties collected on cotton piecegoods was about Rs. 6½ crores. Today, even with the higher duties, we cannot on the reduced quantities reckon on a revenue of more than Rs. 3¾ crores.

43. If we turn to sugar, the protective effect has not yet fully developed and we must look for our comparison rather to the future. In the immediate present the yield of duties on sugar is, as I have already indicated, being affected mainly by the present abnormal drop in purchasing power, but looking to the future the following information may be of interest. According to figures which have been supplied to me by the office of the Imperial Council of Agricultural Research, it appears that Indian production of sugar may increase from 155,000 tons in 1930-31 to about 330,000 tons in 1933-34; that is to say, at the rate of about 60,000 tons per annum, and this rate of increase may be expected to continue in the future. With a duty of Rs. 9 per cwt. this means that if the increase in Indian production is balanced by an exactly corresponding decrease in imports of foreign sugar, there will be a progressive loss of revenue at the rate of Rs. 1.08 lakhs per annum. Needless to say it is to be hoped that we shall also see, as a counterbalancing factor to

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this loss, some increase in the total consumption—partly as a result of a normal growth in demand, and partly as representing a recovery from the present abnormal depression. But the fact remains that locally produced sugar must make the imports so much less than what they would otherwise have been. The figure of a progressive loss of Rs. 1,08 lakhs per annum is in fact what the policy of protection will cost the Indian customs revenue, against which may perhaps be set some increase in receipts from income-tax. I am not now expressing any view on the merits of protection as a policy; but it is necessary to realise the facts as regards its effects on revenue.

44. It is also important to realise that if the Central Government is to have properly balanced machinery of taxation at its command, it ought to have means, either through the income-tax or in other ways, of recovering to itself some increase in revenue to counterbalance the loss which may occur in the revenue from import duties as a result of a protective policy. That is a point which those who are framing a new Federal Constitution should bear in mind.

45. I have dealt only with the two most important individual items—cotton piecegoods and sugar—but similar results may be taking place as regards a number of other articles on the customs list as a result of the higher duties.

Result from various Taxes.

46. I will turn now to the other point which I mentioned as worthy of examination—the way in which the stresses and strains of the present crisis are showing up the strengths and weaknesses of the various parts of our structure of taxation.

This can be tested by seeing how the estimates of revenue from increased and from new taxes are working out.

In my review of the revenue estimates the fact which I have had chiefly to emphasise is the disappointing yield of customs duties. In spite of recent substantial increases, and of the addition at various recent dates of such new duties as those on silver, machinery, and raw cotton, our final estimates for the current year show a total deterioration under Customs of Rs. 2,90 lakhs, as compared with the average for the 3 years 1928-29 to 1930-31. Now this result is of course mainly due to the general fall in the value of exports and consequently in the purchasing power for imports, combined with the operation of subsidiary causes, such as the protective effect of certain duties to which I have already called attention. A more detailed examination, however, of the heads under which deterioration has occurred shows up some interesting facts.

Leaving aside cotton piecegoods which I have treated solely as an example of the effects of protection, the chief deterioration among other items in the current year, as compared with the three year average, occurs under the following heads:

Sugar, to which I have already referred at such length in spite of special large increases in the rate of duty, accounts for Rs. 1,49 lakhs.

Liquors, tobacco, motorcars and articles in the so-called luxury schedule with the basic rate of 30 per cent., which may be classed together as typical cases of articles required by the well-to-do classes, show a deterioration of Rs. 1,58 lakhs, or 22 per cent.

To these two examples may be added silver (for which I cannot make the same comparison as in the cases which I have just dealt with, because an import duty was only first imposed in 1930) which for the current year shows, as compared with 1930-31, a falling off of Rs. 1,25 lakhs despite the enhancement of the duty.

These three heads account for a deterioration of no less than Rs. 4,30 lakhs from what might have been regarded as the expectation of revenue in a normal year at much lower rates of tax. They cover articles other than prime necessities, for although sugar in some form is perhaps a general necessity, this description does not strictly apply to the kind of sugar which is imported.

On the other hand, if we turn to the main articles of consumption by the Indian masses we find a different picture, and the increases made in the rates of taxation are likely to provide substantial increases in revenue.

In the case of kerosene, for example, we expect to get in the current year, from excise and import duties combined, Rs. 3,57 lakhs, as compared with an average for 1928-29 to 1930-31 of Rs. 2,71 lakhs. Here, therefore, is a reserve to which we have been able effectively to turn.

Then again, as regards salt, the enhancement of 25 per cent. in the duty seems to have had no appreciable effect on the consumption, and we are able to anticipate increased revenue in a full year (apart from the immediate and temporary gain from the abolition of the salt credit system) of Rs. 1,60 lakhs over and above the normal revenue at the old rate.

I might here also mention two other articles of consumption by the Indian masses the results in regard to which are equally interesting. I refer to betel nuts and spices.

As regards betel nuts, the recent substantial increases in duty do not appear greatly to have affected consumption, for we are relying on a revenue of about Rs. 60 lakhs for the current year and Rs. 63 lakhs next year from this duty, as against a normal revenue before the increase of Rs. 33 lakhs.

A similar result appears in the case of spices. From those items (cloves, nutmegs and pepper) for which separate trade statistics are on record—and they constitute 80 per cent. of the whole—we are able to anticipate a revenue of about Rs. 20 lakhs in the current year and of Rs. 22 lakhs next year, against a normal revenue before the increases in duty of under Rs. 9 lakhs.

47. The figures which I have given are of course, in a sense, only an illustration of well-known principles affecting the yield of taxes on articles of elastic and inelastic demand. But it is interesting to examine how these principles work out in practice. Such an examination of these examples indicates that a Finance Member—who has unfortunately to be hard-hearted and exclude all sentiment from his plans and calculations—must be brought to the conclusion that if in times of emergency he needs to raise extra revenue, then his most sure and reliable course is to impose slight increases in the taxes which fall on the masses of the population. A few annas per head from 300 millions is the most effective course, whereas attempts to extract heavy taxation from a limited class seem

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almost to have reached their limit. This is a conclusion which is not likely to be popular, but all who share in the responsibility for maintaining the financial position of India must face hard facts.

48. While these facts must be faced, I do not wish to suggest that where increased revenue is sought there should not be a fair and proportionate increase in direct taxation. No critic of the Government could, in the face of the recent heavy increases in income-tax, complain that this proportion has not been preserved. The increase in rates are well known, and beyond this it is merely necessary to state the simple fact that in times of great depression we are counting on getting about 18¼ crores from income-tax as compared with an average of slightly over 16 crores for the five years of comparative prosperity from 1923 to 1928.

Reasons for increased need of Tax Revenue.

49. After making these observations on considerations affecting the raising of tax revenue I want to ask Honourable Members to give their attention to the circumstances which have made it necessary to put a special strain on such tax revenue at the present time. For this purpose I must direct special notice to the table analysing the various heads of receipts and expenditure which is brought up to date and included on page 2 of the Financial Secretary's memorandum. This shows that whereas in the comparatively prosperous five years from 1923-24 to 1927-28 the extent to which the Government had to rely on Tax revenue (less cost of collection) amounted only to an average figure of about Rs. 67¾ crores, we are endeavouring for 1932-33 in a period of unexampled depression to raise from Tax revenue about Rs. 77 crores.

50. What is the reason for this increase in the pressure on Tax Revenue? It is, as the figures, which I have already given, show, certainly not increased expenditure, for that is being enormously reduced. The real reason is the deterioration under other heads of Government receipts. These, according to my analytical table, averaged Rs. 28 crores for the five years from 1923 to 1928, whereas for this year and next year we can only count on about Rs. 9 crores—a drop of no less than Rs. 19 crores. The main factors in this decrease—apart from the relinquishment of the Provincial contributions—have been deteriorations under the following three heads—

(1) Net revenue from commercial departments.

(2) Finance heads, and

(3) Opium receipts.

The total receipts from these three heads for the five years 1923 to 1928 averaged Rs. 15·71 crores, while our estimate for 1932-33 only allows for Rs. 4·83 crores, a reduction of nearly Rs. 11 crores. Thus commercial departments which in the former period assisted revenue to an extent on an average of 6·77 crores will for next year show a net deficit of 19 lakhs. Finance head receipts (Currency and Mint and Interest receipts) which in the former period produced 6·63 crores are reduced for next year to 4·41 crores, and Opium receipts which produced a net profit of 2·31 crores come down next year to 61 lakhs net. Here are the real causes of deterioration, and on top of this must be added the

following main facts; first, that Provincial contributions which were 9·2 crores in 1928 have disappeared, and secondly, that the provision for Reduction or Avoidance of Debt which for the five years 1923 to 1928 averaged about 4·5 crores has now gone up to about 7 crores.

There is one other special point to which I would call attention and that is that we are now meeting our liabilities in regard to Cash Certificates in a much fuller way than was previously the case. In the five years 1923 to 1928 the amount annually charged to the Budget in respect of bonus on Cash Certificates amounted on an average only to an interest charge of about 2 per cent. We are now meeting the full accrued liability and the provision has increased from 23 lakhs in 1927-28 to 2,20 lakhs in next year's budget although the mean capital outstanding has only increased from about 29 crores to about 47 crores.

51. These figures indicate the main sources of the difficulties with which the Government has now to compete, quite apart from the inevitable falling off in tax receipts owing to the economic depression which would in any case have made it necessary to raise the rates. The first effort to deal with such a position should undoubtedly be to reduce expenditure. I have already given a detailed account of what we have done in this direction. But I would remind the House again of the main results. The controllable administrative expenditure under which I include Military expenditure and all Civil expenditure, other than Debt Services, Extraordinary expenditure and the cost of tax collection, averaged for the five years 1923—1928 about 75½ crores and by 1930-31 it had increased to just over 76 crores. The provision for 1932-33 has been reduced to just over 64 crores, a reduction all round of about 16 per cent. The need for increasing tax revenue has been brought upon us not by swollen expenditure but by the tremendous drop in the returns from the economic activities of the Government and in the economic productivity of the country on which the revenue from taxation depends. I would ask all Honourable Members to study carefully the figures which I have prepared, for they indicate the realities of the situation.

WAYS AND MEANS.

52. *Summary.*—I will now turn to a review of the Ways and Means position for the current year and the next, a summary of which in the usual form will be included in the printed copies of my speech.

Liabilities.

	Budget, 1931-32.	Revised, 1931-32.	Budget, 1932-33.
Railway Capital Outlay (Construction) .	11·45	8·35	4·15
Other Capital Outlay	1·93	1·82	1·50
Provincial Drawings	9·50	15·41	10·62
Discharge of permanent debt (net) .	29·54	33·09	26·56
Loans and Advances by Central Government	1·21	·98	·26
Other transactions	—·79	3·50	·06
	52·84	63·15	43·15

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Resources.

	Budget, 1931-32.	Revised, 1931-32.	Budget, 1932-33.
Revenue Surplus	·01	—13·66	2·15
Rupee Loan (net)	15·00	16·95	14·50
Sterling Loan (net)	24·76	17·35	8·00
Treasury Bills with public	..	..	—7·51
India Bills	—5·40	—5·40	..
Post Office Cash Certificates and Savings Bank	4·06	7·19	7·00
Other Unfunded Debt	5·63	2·69	4·71
Appropriation for Reduction or Avoidance of Debt	6·78	6·89	6·82
Depreciation and Reserve Funds	·99	—3·73	·52
Expansion of Currency against Treasury Bills (net)	..	35·09	..
Reduction of Cash Balance	1·01	—·22	6·96
	52·84	63·15	43·15

53. The outstanding features to be noted in the revised figures for 1931-32 are the heavy drawings on their Reserves by the Railways; the reduction in Railway Capital expenditure combined with the large increase in Provincial Government's drawings as compared with the original estimates; the fact that permanent debt was discharged to almost exactly the same extent as it was increased by new rupee and sterling loan; and lastly—and most important—the addition of approximately Rs. 35 crores to our resources as a result of the expansion of currency against Treasury Bills.

54. *Expansion of the currency.*—I will deal first with this last mentioned feature. In my Budget speech for 1930-31 I explained fully the effect of our currency operations on our Ways and Means position. During the years 1930-31 and 1931-32 Government, in their capacity as currency authority, had to effect large contractions of the currency in order to avoid the development of an inflationary position having regard to the tremendous fall in world prices of all commodities. This process continued until September 1931 when the suspension of the gold standard in Great Britain, and the linking of the rupee to sterling instead of gold, produced a complete change in the situation. For various reasons a large demand for currency then arose in India. This demand enabled us to replace in the Paper Currency Reserve a large part of the Treasury Bills which had been cancelled during the previous two years, and in this way to recover resources which had been temporarily lost by the previous contraction. As it had been necessary during 1929-30 and 1930-31 in order to meet contraction against rupee securities and silver, for the Government in effect to provide funds amounting to Rs. 43,60 lakhs, the net result on our Ways and Means position during the last three years of contraction and expansion has been to decrease our resources by about Rs. 8½ crores.

55. *Loans.*—The expansion of Rs. 35 crores to which I have referred, enabled us to meet large unforeseen demands and at the same time decrease our ordinary borrowings. In the budget for 1931-32 I assumed that sterling borrowing would be limited to the conversion of the £15 million outstanding from the 5½ per cent. 1932 loan maturing in January

1932. What actually happened was that a loan of £10 million sterling was raised in London in May 1931, but the 5½ per cent. 1932 loan was repaid from the Home Treasury balances, the net result being that the sterling borrowings during the current year will be £5 millions less than was estimated a year ago. The gross proceeds of the rupee loan amounted to 16,95 lakhs as against Rs. 15 crores estimated at the beginning of the year. The loan took the form of 6½ per cent. Treasury Bonds, 1935 issued at par. The notable feature of this loan was that it was kept open "on tap" for a long period—from the 15th September to the 12th December—and that special facilities were given for subscriptions at all Post Offices doing savings bank business in addition to treasuries and branches of the Imperial Bank. In this way a special appeal was made to small investors in the mofussil who could come into a Post Office at any time and take up a few bonds against a payment which included a proportion of the interest accrued, the proper addition being made to the purchase price from week to week. The response in all the circumstances was extremely satisfactory. While the banks and the money market took comparatively small interest, owing to the exceptionally unfavourable international and internal situation, small investors all over the country took full advantage of the additional facilities given. Of the total subscriptions of 16,95 lakhs, 2,04 lakhs represented conversions of maturing 1931 bonds and the total amount subscribed through the Post Office, including conversions amounted to 6,52 lakhs. The lessons learned from the success of this loan in times of unprecedented difficulty should be of value for the future.

56. Owing to the fall, during the current year, in the price of Government securities large purchases of the 5 per cent. 1929-47 loan and the 5 per cent. 1945-55 loan were effected from the balance in the depreciation funds of these loans. These purchases were mainly responsible for the increase of about 9½ crores in the amount provided in the current year for the discharge of permanent debt.

57. *Railways.*—The Railway Capital outlay in the current year is now estimated to be Rs. 8,35 lakhs as against 11,45 lakhs provided in the budget. To this extent therefore (Rs. 3,10 lakhs) our Ways and Means position, as affected by the Railways, has improved in comparison with the estimates. On the other hand the large deterioration in the working results of the Railways has much more than offset this saving. It was anticipated that there would be a surplus of Rs. 1,22 lakhs available for the Railway contribution, and that by drawing Rs. 4,14 lakhs from the Railway Reserve fund this would be made up to the full figure of Rs. 5,36 lakhs. Instead the Railways showed a deficit, after meeting all interest charges, of Rs. 9,47 lakhs. They can therefore not pay any Railway contribution and have to draw Rs. 4,95 lakhs from their Reserve fund and Rs. 4,52 lakhs from their Depreciation fund balance in order to cover this deficit.

The net result is that, so far as concerns the effect of the Railway operations on our Ways and Means position, this is Rs. 7,59 lakhs worse than anticipated in the Budget.

In order, however, to correct undue pessimism I must point out that the total amount set aside by the Railways for depreciation in the current year is Rs. 13·43 crores, and that the amount to be drawn from the depreciation fund is Rs. 8,25 lakhs for actual expenditure on renewals and

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Rs. 4,52 lakhs to meet the deficit, or a total of Rs. 12,77 lakhs. Even, therefore, after providing for this latter deduction, a surplus of Rs. 66 lakhs remains to be added to the balance in the Fund.

58. *Provincial drawings.*—The provincial drawings have been exceptionally heavy. The Government of India in pursuance of its policy of cutting down capital expenditure to a minimum refused to sanction loans from the Provincial Loans Fund for any new scheme but loans were granted for the purpose of completing schemes already in hand. In addition, most of the provincial Governments are faced with heavy deficits, and in some provinces loans to agriculturists on a large scale have had to be granted to assist them in tiding over difficulties due to the fall in prices or failure of crops. The net result is that provincial drawings are expected to be about 6 crores more than was estimated at the beginning of the year.

59. *Public savings.*—The receipts from Post Office Cash Certificates and Savings Bank are expected to exceed the budget estimate by 8,18 lakhs while the amount of Treasury Bills in the hands of the public at the end of the year is expected to be the same as at the beginning of the year.

60. *Revenue Deficit.*—The estimated deficit of 13,66 lakhs will remain uncovered and will be an addition to the public debt.

61. *Next year.*—The Ways and Means programme for next year is necessarily tentative and subject to modification in the light of the actual circumstances which may arise.

62. *Capital Expenditure demands*—(*a*) *Railways.*—As the House knows, the Railway Capital expenditure has again been drastically reduced, the provision for 1932-33 being 4,15 lakhs only as compared with the revised estimate of 8,35 lakhs for the current year. To appreciate the magnitude of this reduction, which represents the culmination of a policy which we were forced to initiate in 1929 the current figure of 4,15 lakhs must be compared with the past figure of no less than 29,35 lakhs in 1928-29, and 30,16 lakhs in 1929-30.

(*b*) *Provincial Governments.*—The borrowing programme of the Provinces has also been reduced to a minimum, but in present circumstances they have certain unavoidable financial requirements. Provision for their demands has, however, been reduced from 15,41 lakhs anticipated this year to 10,62 lakhs.

63. *Borrowing Programme, 1932-33.*—With this reduced provision for Railway Capital expenditure and for the Provinces, I estimate that it will be possible to reduce the amount of Treasury Bills held by the public by about 7½ crores from our current resources, and that we shall not have to raise any loans during the year, except for the purpose of meeting or converting maturing loan obligations. As regards the latter, the 6 per cent. sterling bonds 1932-33, which Government have the option to repay on the 15th June 1932, will in any case be repaid. In the estimates which I am now presenting I have treated funds for this purpose as being provided by corresponding new borrowing in London. But it is quite possible that this will not be necessary. If exchange continues as at present it appears likely that we shall be able to repay these bonds without borrowing in London, the necessary funds for the purchase of the

sterling required being provided by borrowing in India. As regards rupee loans, I am reckoning that we shall issue a loan of 14½ crores, *i.e.*, the amount required to provide for the repayment of the 6 per cent. bonds 1932 falling due on the 1st October 1932. I would add that if the recent improving tendency in the Government securities market continues, it should be possible to raise a larger loan in India on favourable terms and in that case we shall probably take advantage of this opportunity to fund a part of the floating debt and thus reduce this to a greater extent than the 7½ crores which I have, as already explained, allowed for meeting out of current resources.

64. *Home charges.*—A year ago it was estimated that the net requirements of the Home Treasury would be £33¾ millions. During the first six months of the year the weakness of exchange which had been a feature of previous years increased owing to the export of capital and international complications. Government not only were unable to purchase sterling, but, in order to implement their obligations under the Currency Act, had to sell sterling to the extent of about £14 millions. This amount was obtained by drawing on the securities in the reserves, while in addition to this amount £9 millions were found from the same source to meet the ordinary requirements of the Home Treasury. After the suspension of gold standard by Great Britain the rupee-sterling exchange soon gathered strength mainly due to the export of gold. Before the end of October the tide had definitely turned, and Government were able to effect remittances to London through the market. The total purchases of sterling on treasury account during the year have been taken for the purpose of my estimates at about £35¼ millions. It is assumed that if sterling purchases exceed this amount, the surplus will be added to the currency reserves. Taking into account the £9 millions which, as I have already explained, were drawn for Home requirements from the reserves, the total amount provided for the requirements of the Home Treasury for the year will on my estimates amount to about £44¼ millions, or about £11 millions more than was estimated at the beginning of the year. This surplus has been used partly to provide for the net reduction of about £5 millions which, as I have already explained, has been effected in the sterling debt, *i.e.*, a repayment of about £15 millions 5½ per cent. sterling loan, less a new 6 per cent. sterling loan, for £10 millions issued in May 1931. The remainder will be retained in the Home Treasury balance, making the closing balance for the year £10·8 millions. This large closing balance will be a reserve for meeting our sterling requirements next year. With this reserve in hand, unless the whole or part of the 6 per cent. 1932-33 bonds is repaid from balances, remittance of £24¼ millions will suffice to meet our needs in 1932-33. If further sterling remittances over and above these two requirements are obtained it will be appropriate that they should go to the strengthening of our currency reserves.

General Remarks on Expansion of Currency.

65. I must now make a few general remarks on the currency position with particular reference to the criticisms of the recent expansion which has been appearing in certain sections of the Indian press. If I treat criticism as worthy of any serious reply I do so mainly because from certain questions which have been asked recently in this House it appears

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certain that in present circumstances the best interests of India are being served by allowing free movement of gold to continue—that in fact this movement is proving that India's gold resources are an immense reserve of strength, the moderate employment of which is saving her people at present from much suffering, and preserving the balance of payments and the credit of the country as a whole in times when other countries, particularly countries whose economic conditions resemble those of India, are sorely strained.

There is much popular misapprehension of the significance of what is happening, which may perhaps be corrected by putting it in the following way.

The phenomena of the last few months should not be viewed by themselves, but as one phase in a process of many years. India requires a certain flow of exports to balance her imports of merchandise and external payments. In the past years the volume of this flow has been more than is required, and has been stored up, as in a reservoir, by being put into gold. Now that the volume has shrunken owing to the immense fall in the prices of India's exports (a fall which has been far greater proportionately than for India's imports) the flow is being supplemented by drawing to a moderate extent on the reservoir of gold. Thus the "reservoir" is performing exactly its proper function of equalising the flow, while the quantities being drawn off are negligible in comparison with the quantities stored.

Our critics often speak as though the interests of Government were somehow different to the interests of the country in this matter. There could be no more absurd idea. The difficulties of Government, either as the authority for revenue and expenditure, or as currency authority, react on the public and *vice versa*. What are the signs at present? We are free from hampering measures of exchange control; exchange is strong; our credit improved; we have reduced our external obligations and strengthened our reserves, thereby saving the taxpayer interest charges, and improving the chances for raising fresh capital when this is needed for the development of the country; the bank rate has come down from 8 to 6 per cent., and, as a result, all who are engaged in trade and industry have obtained great relief; while, as another result, Government securities are rising, a fact which in its turn is improving the position of all banks and investors. If anyone fails to see benefit to the public in all these signs he must be blind indeed.

GENERAL CONCLUSION.

76. It has been necessary to cover a wide field in this speech, and I fear that I have detained the House at great length, even though I have only been able to deal most summarily with the points on which I have touched.

On a broad review I think we may feel satisfied with the position. We can face next year with a prospect of a fairly substantial surplus, while even though the current year is closing with a nominal deficit, if we take into account the provision which we are making from revenue for reducing our debt, we can actually reckon on a surplus of receipts over expenditure for the two years combined.

77. If one looks round the country and at the outward signs of its economic and financial position, while I fully recognise that the difficulties are still immense and that large sections of the people are in dire straits, owing to the present low level of prices and trade depression, nevertheless there is not a total absence of encouraging signs.

78. Even if the sales of gold may to some extent represent a forced realisation of savings, yet as against this there are indications that the masses in India still have a considerable amount of money available for investment. The amount invested in Post Office Cash Certificates during the current year is expected to aggregate about Rs. 6 crores as against an average of Rs. 4·5 crores for the preceding eight years, while the increase in the Post Office Savings Bank deposits will be about Rs. 1,20 lakhs as against a decrease of Rs. 10 lakhs last year. Further, the subscriptions by small investors to the 6½ per cent. Treasury Bonds were very large as is indicated by the fact that about Rs. 6½ crores out of a total of Rs. 16,95 lakhs were subscribed through the Post Office.

79. Then, again, certain industries at least are in a healthy condition. I alluded in the course of the last financial debates to the state of the cotton-mill industry, which I still claim to be the only large staple industry in any country in the world which is not only fully employed, but expanding, to-day; and which increased its production for 1931 by about 400 million yards as compared with 1930. The sugar industry (to which I have already referred) is also expanding rapidly, and according to our information thirteen important factories are in course of erection while seven more are being planned.

80. Lastly, one may point to the easing of money rates, the repayment without borrowing or drawing on our reserves of £15 million sterling in January, and to the recent very striking improvement in the price of our Government securities both in India and in London. Our 3½ per cent. sterling stock, which in September last went as low as 43, had risen on March 2nd to about 66, and other securities have also improved substantially. In fact, London has really taken a lead in this matter and it is a curious fact that it is certain sections of the Indian public that are apparently doing their best to spread pessimism and check the return of confidence. This rise in Government securities does not of course in itself indicate a revival of trade. But such a movement is a natural prelude to general recovery, which must have brought about an enormous improvement in the position of all the banks and made them stronger to give support to a revival of trade when the conditions justify such action. Apart from Government securities there has been a general rise in the prices of the leading investment stocks. Taking quotations at the end of February, the following typical examples may be given:

Imperial Bank shares had improved from a bottom figure of 825 to over 1,000.

Bombay Dyeing from about 613 to 681.

Tata Iron and Steel ordinary from 16·6 to about 25.

Indian Cement from 120 to 188.

81. But while I can gladly note these signs for encouragement, and while our budgetary position is sound, such margin as we have provided is certainly no more than is required for safety in these uncertain times.

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our holding has largely increased in the current year. Therefore, so far as the backing to our currency is concerned, there has been no weakening of the position.

70. Apart from this, His Excellency the Governor General dealt a few months ago in this House with the broad aspects of this question. He pointed out that in relation to the vast stores of gold held privately in India the quantities now being exported were of minor importance. At present values India has imported over 700 crores worth of gold in the last 80 years alone. Her total holdings must vastly exceed this quantity. In relation to these accumulated stores, exports of about Rs. 50 crores worth, though large in themselves, sink almost into insignificance. What is happening now has not yet, in fact, appreciably affected India's position as a holder of gold.

71. In the meanwhile the export is giving India a favourable trade balance and enabling her people, who are in this way realising a small portion of their reserves, to tide over the present terribly difficult times. India is thereby being saved much of the hardship under which other countries are suffering. Reserves are being drawn upon in hard times, and, as His Excellency asked, of what use is a reserve if it can never be drawn upon.

72. Those, however, who deplore the present export of gold apparently hold the view that gold is so extraordinarily valuable as a possession that no country which has once acquired it should part with a single ounce of it—particularly not in the present times of economic crisis. And many of them go on to assert that the present Government of India alone of all Governments is allowing this export to take place.

73. Now, in the first place, to the general argument I think the answer is simple. What is the special and unique quality of gold which justifies the holding of it? Surely its quality as a reserve which in the last resort is, according to the present world system, the only ultimate sure method for settling obligations as between one country and another. But if this is accepted, then the necessary implication is that the gold must on occasions be used for this purpose. If it is *never* to be used it might just as well be at the bottom of the sea. If no country ought ever to part with its gold, then the logical extension of this argument would be that even a country like South Africa should retain every ounce of gold which is produced from her mines. But the advocates of the contrary view may say that this is an unfair distortion of their argument, and that they only argue that just at the present time, and in India's special circumstances, it is necessary to preserve the gold. Now is it true that there are any special circumstances which make it necessary to hold on to gold now? On broad grounds I should give a directly contrary answer. What is the essential feature of the world position to-day? Surely that gold in terms of commodities is grossly overvalued. Its overvaluation means that all those to whom fixed payments in money based on gold are due have to receive far too large a share of the world's production. The present low level of commodity prices, or, to express it the other way round, the present overvaluation of gold, is just exactly *the* calamity from which the world is suffering, and unless it is set right then one of two results must happen; either the economic system will collapse, or currencies will have to detach themselves from gold. England, and

with her more than half the world, has already accepted the latter result. America, still on gold, is in terrible difficulties, and is straining every effort—as recent announcements show—to find a policy which will bring about a rise in the gold prices of commodities, or, in other words, a fall in the value of gold. If she succeeds her present currency system may survive. If she does not, she, too, may be forced off the gold standard. This is no exaggeration of the position. It is impossible to escape the conclusion that the world is faced now with two alternatives, *either* to find some means (by better international arrangements and the better use of the available monetary stocks of gold) for reducing the real value of gold as expressed in commodities, *or* to abandon gold altogether as the basis of currency. If those are the two alternatives then surely one is forced inevitably to the conclusion, that in either case—whichever of the two alternatives actually happens, it would, taking a long view, pay to part with gold now. Why therefore should the people of India be deprived of the right to exercise their own judgment in this matter and sell their gold? My critics would answer "Let them do so, but let the Government buy it and use this opportunity to build up reserves for starting a Reserve Bank". But to this there are clear answers. First, "For the Government as currency authority to buy gold now that the currency is divorced from gold would be a pure speculation". Secondly, "The Government could not afford to buy and hold all the gold which is being offered now, for it has its own external obligations to meet". Thirdly, "If currency reserves are required, and if we could afford now to accumulate them, we have already our proper proportion of gold. It is rather external securities that we need to complete an ample margin of reserves". Fourthly, "We are indirectly acquiring sterling securities against the gold exports so far as the proceeds are not required to meet the balance of payments due on private account. So far as our financial position permits of it we shall use these securities to increase our currency reserves".

74. I come now to the last point in the critics' arguments,—that we are doing something which no other Government in the world is doing in permitting the export of gold. On this point there is extraordinary ignorance or misconception. As a general proposition, it is true to say that where the Government of any other country to-day has prohibited the export of gold, it has taken this action in practically all cases as a measure of exchange control. In England there is no sort of restriction on the export of gold, and as recent Press telegrams have shown, the ordinary public in England is doing exactly what the Indian public is doing and seizing this opportunity to realise any gold which they hold at great profit. South Africa, France, Belgium, Holland, and of course the United States have absolutely no restrictions. Nor has even Australia at present, although its Government has power to impose restrictions by proclamation. I can mention two important countries which have restrictions—Canada, where gold exports are only allowed by the Government or by Chartered Banks subject to Government licence, and Japan, where since a decree of December 17, 1931, exports are only allowed under Government licence. In both these cases restrictions are features of exchange control—and fortunately we have no need to impose any control over exchange operations in India to-day. I say, fortunately, because nothing is more damaging to commerce than that.

75. We have given this matter our most constant and careful consideration ever since last October, when the process began, and we are absolutely

SECRET

LEGISLATIVE ASSEMBLY MAY

Wednesday, 9th March, 1932.

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

MEMBER SWORN:

Major Nawab Ahmad Nawaz Khan, O.B.E., M.L.A. (Nominated Non-Official).

QUESTIONS AND ANSWERS.

CARELESSNESS OF A HEAD CLERK IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

701. *Mr. Muhammad Anwar-ul-Azim: (*a*) Is it a fact that Government lost about Rs. 900 in railway freight on textile oil which was required for the power house engine of the Government of India Press, Aligarh, due to the carelessness of the officiating Head Clerk? If so, what action was taken against him?

(*b*) Is it a fact that Government sustained a loss of about Rs. 300 in despatching a waste paper wagon which was sent from Aligarh to Calcutta?

The Honourable Sir Joseph Bhore: (*a*) and (*b*). No.

DELAY IN RELEASE OF A PRISONER AFTER PAYMENT OF A FINE.

702. ***Mr. S. C. Mitra** (on behalf of Mr. Uppi Saheb Bahadur): (*a*) Will Government be pleased to state if Hardian Singh Chandiwala was sentenced by Mr. F. B. Pool, Additional District Magistrate, Delhi, to pay a fine of Rs. 100, or in default one month's simple imprisonment on the 14th January, 1932?

(*b*) Is it a fact that the fine was paid on 29th January, 1932?

(*c*) If the answer to part (*b*) be in the affirmative, why was he not released till the 13th February, 1932?

The Honourable Sir James Crerar: I would refer the Honourable Member to the answer I gave on the 4th March to Mr. S. C. Mitra's question No. 643 on the same subject.

RETRENCHMENT PROPOSALS OF THE RAILWAY BOARD.

703. ***Rao Bahadur B. L. Patil:** (*a*) Are Government aware of the letter of Mr. Giri published in the Bombay *Daily Mail* on or about the 17th February, 1932, regarding the retrenchment proposals of the Railway Board?

[Sir George Schuster.]

Even now all the conditions in the world are so disturbed, that no Finance Minister can possibly present his estimates as infallible. We have hardly yet emerged from what Mr. McKenna in a recent speech has described as a state of "cataclysmic instability". The old landmarks are gone and we are living in conditions for which in many respects there is no parallel. What is required above all is a general rise in prices, and an economic revival throughout the world which will lead to an increased demand for our products. Our own action alone cannot provide this. International action is required. On this subject one can at least say that the present signs are more hopeful, and that there now seems to be a fair prospect that the great problems of war debts and reparations which have been weighing so heavily on the world may be settled this summer in such a way as to make some recovery possible.

I have dwelt on world conditions and said little about internal political conditions. Here the mere fact that constitutional changes are impending makes it all the more necessary that we should preserve the country's financial foundations in a sound condition and convince the world that any future Indian Government will so maintain them. The latter is a task on which Indian leaders should concentrate. But just at this time we see, on the contrary efforts in certain quarters to propagate mistrust, and to impede the normal course of trade. I have taken no account of any effects from those efforts in my calculations. Local effects there may be, and Bombay, for example, with her strange passion for self-inflicted wounds, may, unless the commercial interests so threatened bestir themselves, find herself wounded beyond recovery and in danger of losing her place as a commercial market, just as she has been losing her industrial place to other centres. But, so far as India as a whole is concerned, we confidently believe that such efforts will fail to have any appreciable effect on her economic life, and that ultimately the good sense of the country will prevail.

82. In the circumstances which I have described we have taken such financial measures as we think that we can fairly ask the country to support at the moment, but the situation still needs careful watching. And this brings me to the last subject which I wish to mention. In times like the present, when every country is struggling for its financial and economic existence, the best chance for any nation is that all its available forces for national effort should be marshalled together. That is what has happened in England, and as a result England has once again resumed her front place, and may help to give a lead to the countries of the world in finding a way out of this disastrous economic crisis. Is it vain even now to ask for such co-operation in India when we are trying to establish sound conditions for the new constitution? I have just said that the whole financial situation still wants careful watching. Let me mention the following practical points. First, the general question of a permanent reduction in the scale of Government expenditure is by no means yet finally disposed of. Secondly, if the economic condition of the world should worsen during the coming year it may react upon us, and we may require further measures to protect our position. Thirdly, we shall need to consider most carefully before the next Budget the working of the new taxes which we imposed as emergency measures, and the shaping of our financial policy in a more permanent form to meet the needs of the future when greater stability has returned and when conditions can be foreseen with greater certainty.

Lastly, I must make a short reference to one feature on which I have not dwelt fully in my general review—namely, the finances of the Provincial Governments. Many of them are labouring under financial difficulties which in some respects are greater than our own, and, as I have already indicated, have had recourse to loans from the Central Government in order to cover budgetary deficits. This is a problem which affects India as a whole, and in it we all have a common interest. I will say no more now than that the position will require very careful consideration during the coming year. If in the handling of these problems representatives of the unofficial communities in India were ready to give their advice and support to Government, I feel confident that the national interests would benefit from such co-operation. Honourable Members may perhaps take up these points in debate.

83. In the picture which I have drawn I have tried to give a fair account both of the conditions which encourage hope and of the factors which call for caution. For the coming year we must pray for good crops, and recognise that beyond this much depends on events outside India. In the meanwhile let us not belittle such elements of good fortune as have come to us. We have in the past year ridden a storm which might well have wrecked us, but we have emerged from it stronger than before. We have overhauled our expenditure and reduced this to a level which should leave us a margin of revenue when any economic recovery begins, and at least substantially ease the financial problems at the start of the new Constitution. Difficulties there are which still remain to be overcome, and tasks to be accomplished. If the Indian public would co-operate in a common effort with Government, this could be done more surely and more easily; but we are determined that it shall be done. In the meanwhile, if we look round the world in the present times of difficulty we may fairly claim that there is no country in the world whose intrinsic financial position is sounder, or whose ultimate prospect of economic advance in the future is more bright. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 9th March, 1932.

(*b*) If so, are Government prepared to advise the Railway Board to discuss the matter with the representatives of the Railway Workmen's Union?

Sir Alan Parsons: (*a*) Yes.

(*b*) The subject has been discussed by the Railway Board with the All-India Railwaymen's Federation on more than one occasion.

Mr. Lalchand Navalrai: Is the Honourable Member aware that the railway unions at Bombay have decided to collect views of their members to go on strike?

Sir Alan Parsons: I have seen in the Press a report to that effect. That is all the information I have at present got.

Mr. Lalchand Navalrai: What steps are Government going to take to meet with that situation?

Sir Alan Parsons: I do not know exactly to what situation the Honourable Member refers. The reports in the Press are to the effect that the All-India Railwaymen's Federation propose to take a ballot whether there should be a strike; but if any steps are necessary, the Honourable Member may rely on the Railway Board to take them.

Rao Bahadur B. L. Patil: Does the Honourable Member think it advisable to force another strike on the country? Does he court another strike?

Sir Alan Parsons: The Honourable Member is asking for an expression of opinion; but my reply is that the Federation would be ill-advised if they attempt to cause a general strike.

Dr. Ziauddin Ahmad: Why does the Railway Board make an invidious distinction between the *Pilot* and the *Indian Daily Mail*? He refuses to read the one and he reads the other.

The Honourable Sir George Rainy: That must be regarded as a matter of luck.

DELAY OF MAIL IN NAVALGUND AND NARGUND IN THE DHARWAR DISTRICT.

704. ***Rao Bahadur B. L. Patil:** (*a*) Are Government aware that the post offices at Navalgund and Nargund in the Dharwar District (Bombay Presidency) are unable to get their mail bags directly from the nearest railway station and that nearly 24 hours delay is being caused?

(*b*) Are Government further aware that these places are business towns and have revenue, a taluka board and bank offices and criminal courts?

(*c*) Do Government propose to take steps to minimise the inconvenience to the people of the said towns and villages in the taluka?

Mr. T. Ryan: Government have no information. A copy of the question is being sent to the Postmaster General, Bombay, who is competent to deal with the matter.

PAUCITY OF INDIANS EMPLOYED IN DEPARTMENTS IN EAST AFRICA.

705. ***Mr. Gaya Prasad Singh:** (*a*) With reference to the reply of Government to my starred question No. 1145 of the 2nd October, 1931, will Government be pleased to obtain information whether it is a fact that about 80 per cent. of the non-European staff in the various departments of the East African Colonies, and Tanganyika consists of non-British subjects, *i.e.*, the Goanese?

(*b*) What are their respective numbers or percentage; and why the number of Indians there is so small?

(*c*) Do Government propose to take any steps in this matter? If not, why not?

Sir Frank Noyce: (*a*), (*b*) and (*c*). The Government of India do not consider they would be justified in asking the Governments of the various British territories in East Africa for information of this character unless they are satisfied that the results to be secured thereby would be commensurate with the time and labour involved in collecting it. If the Honourable Member will be so good as to communicate to me all the facts which, in his opinion, justify the inquiry suggested by him, Government will gladly consider whether any action on their part is called for.

Mr. Gaya Prasad Singh: Is there no representative of the Government of India in these territories to give this information?

Sir Frank Noyce: Government have no direct representative in the British territories in East Africa.

Mr. B. Das: Is it not time to appoint an Agent in East Africa on behalf of Indians?

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

DECREASE IN WEIGHT OF PRISONERS IN AJMER JAIL.

706. ***Mr. Gaya Prasad Singh:** Is it a fact that the weights of all the political prisoners confined in the Ajmer jail have decreased since their incarceration?

Sir Evelyn Howell: I presume the Honourable Member is referring to prisoners convicted in connection with the civil disobedience movement. Only two or three of them have lost weight since their incarceration.

Mr. K. C. Neogy: Is it not a fact that Government have put these prisoners on a "slimming" diet?

Sir Evelyn Howell: No, Sir.

CLOTHES OF PRISONERS IN THE AJMER JAIL.

707. ***Mr. Gaya Prasad Singh:** Is it a fact that only one coat and one pyjama are given to the political prisoners in the Ajmer jail and when the prisoners wish to wash their clothes they have to remain naked the whole day till their clothes become dry?

Sir Evelyn Howell: No, Sir. C class prisoners are provided with one woollen coat (during the cold season), one shirt, "one pair of *jangias*", one "*rumali*", one large towel and one cap. They do not remain naked when washing their clothes. A class prisoners use their own clothing.

Mr. R. S. Sarma: Will Government be pleased to state whether they would consider the advisability of appointing Mr. Gaya Prasad Singh as a non-official visitor to this particular jail?

Mr. B. Das: Does the Honourable Member consider that one pair of *jangias* is enough for a C class prisoner? Why not supply two pairs so that when one pair is washed, the other pair could be used by the prisoner?

Sir Evelyn Howell: I have no information on the subject.

Mr. K. C. Neogy: Has the Honourable Member compared the luxuries he mentioned in answer to this question with the luxuries that were granted to the political prisoners in Siberia under the Czarist regime?

Sir Evelyn Howell: I have not made that comparison.

Mr. Gaya Prasad Singh: Are there non-official visitors to Ajmer jail?

Sir Evelyn Howell: I want notice of that question.

LABOUR IMPOSED ON PRISONERS IN THE AJMER JAIL.

708. *Mr. Gaya Prasad Singh: Is it a fact that the prisoners like Hari Bhau Upadhayaya and other Congress leaders were forced to work on the grinding mill in the Ajmer jail?

Sir Evelyn Howell: No, Sir.

AGRICULTURISTS' RIGHTS IN THE ISTIMRARI AREA OF AJMER-MERWARA.

709. ***Mr. Gaya Prasad Singh:** (*a*) Are the Government of India aware that there are agrarian disputes with regard to agriculturists' rights in the Istimrari area of Ajmer-Merwara?

(*b*) Are Government contemplating to enact any law by which occupancy rights may be conferred on the tenants of the Istimrari area?

(*c*) Do Government propose to take a people's representative on the committee which is about to be appointed to determine the rights of Istimrardars and the people living in the Istimrari area of Ajmer-Merwara?

Sir Frank Noyce: (*a*) Certain questions were asked in this House in 1930 regarding alleged disputes between the Istimrardar of Pisangan in Ajmer-Merwara and his tenants, and copies of the replies were placed in the Library in January 1931. Since then Government have had no reports on the subject.

(*b*) A general revision of the Ajmer Land and Revenue Regulation, 1877, has been contemplated for some time, but it has not been found possible to undertake this owing to the prevailing financial stringency.

(*c*) Government are not aware that any committee is to be appointed for the purpose mentioned by the Honourable Member.

ALLOWANCE FOR OFFICERS AND STAFFS ON DEPUTATION.

710. ***Mr. Lalchand Navalrai** (on behalf of Bhai Parma Nand): (*a*) Is it a fact that Government have withdrawn the concession of 20 per cent. deputation allowance from all men on deputation?

(*b*) Are there any exceptions made to this general rule and, if so, in how many cases?

(*c*) Is it a fact that men employed either as officers or as ministerial staff in the different committees now working in India in connection with the Round Table Conference and constitutional reforms, have been allowed the 20 per cent. deputation allowance over their substantive pay or some increased salary over their substantive pay? If so, will Government be pleased to state the names of such officers giving details of their substantive pay and the increase that has been allowed to each of them and the reasons for allowing them this concession and the name of the community and religion that each of them belongs to?

(*d*) Is it a fact that the increase in pay has been allowed only to some of the officers and staff belonging to the minorities working in the different committees in connection with the Round Table Conference and the constitutional reforms? If so, has that increase been allowed to all officers and staff belonging to all the minorities who formed a pact in London in connection with the last Round Table Conference in London or only to members belonging to certain classes of minorities; if so, will they please state the names of the minority communities whose members have been allowed increase in pay in these committees?

The Honourable Sir George Rainy: (*a*) and (*b*). I place on the table a copy of the latest orders on the subject.

(*c*) The general principle is to grant to permanent Government servants employed on these Committees the pay which they would have received had they not been diverted for such duty. Exceptions have been made in the following cases—

(i) A Superintendent in the Home Department who has been appointed as Assistant Secretary, Franchise Committee.

(ii) Those who have been appointed as Superintendents.

(iii) Stenographers and Reporters.

In the case of (i) and (ii) the increases have been given in view of the change in the nature of the work and a substantial increase in responsibility, and in the case of (iii) to secure for stenographers a rate of pay ordinarily granted in the Government of India offices to this class of officer; and as regards reporters, to secure sufficiently competent men for that class of work. The appointments of the personnel are made by the Committees concerned and complete information is not available.

(*d*) The answer to the first part of the question is in the negative. The latter part therefore does not arise.

No. F. 13-XIX-Ex.-I/31.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

New Delhi, the 7th January, 1932.

OFFICE MEMORANDUM.

SUBJECT :—*Fixation of the pay of temporary posts created outside the regular line of a service.*

The undersigned is directed to state that the Finance Department have been considering for some time past whether undue generosity has not been shown of late years in fixing the pay of Government servants appointed to temporary posts created for special purposes outside the regular line of their service. Although it has been incorrect since the Fundamental Rules superseded the Civil Services Regulations to refer to officials holding posts of this type as being "on deputation" or "on special duty", recommendations are still commonly made in the obsolete terms of the Civil Services Regulations; and these terms are accordingly used for convenience in this Memorandum. All such posts are now technically temporary posts added to the cadre of the holder's service; and the rule governing the fixation of pay for the holders is Fundamental Rule 40 which prescribes the fixation of pay with due regard to

(*a*) the character and responsibility of the works to be performed; and

(*b*) the existing pay of Government servants of a status sufficient to warrant their selection for the post

In recent years the pay of temporary posts of this type has been fixed according to expediency, sometimes as pay *plus* special pay, and sometimes as consolidated pay. The correct method is to fix a consolidated pay split up, if convenience so dictates, into rupee and sterling elements.

2. Possibly through the influence of Fundamental Rules 22 and 30, before they were amended in March, 1930, to eliminate the unintentional extravagance of enhanced pay for a mere change in the character of the duties performed, the tendency has gradually grown up of sanctioning enhanced pay for all posts temporarily created outside the ordinary line with scant regard to the provisions of Rule 40 of the Fundamental Rules. Finance Department, therefore, deem it expedient to restate the principles which should govern the grant of enhanced pay to Government servants whether placed (to use the familiar terms) on "special duty" within their Departments or "on deputation" outside them. They intend to apply these principles strictly to all cases coming to them for sanction, and would urge on all authorities now exercising delegated powers of sanction the extreme desirability of their applying identical principles.

3. The three principles which Finance Department now reiterate are those contained in Article 81 of the Civil Services Regulations; namely :

(1) A Government servant placed on "special duty" or "on deputation" should have the pay of his temporary post fixed at what his pay would have been from time to time in the regular line had he not been so deputed.

Note.—If the sanctioning authority is satisfied that a Government servant so deputed would otherwise have been advanced very shortly afterwards to a post carrying higher pay than that which he was drawing at the time his "special duty" or "deputation" begins, and would continue to hold such a post for approximately the same period as his temporary post is expected to last, he may take this fact into account and fix a uniform pay throughout the period.

(2) The sole criterion for sanctioning enhanced pay in such cases is proof of a decided increase of work or responsibility in comparison with the duties of the post which the Government servant would otherwise occupy in the regular line. Where the test of comparative responsibility is not practicable, Fundamental Rule 40 may be followed.

(3) Any extra remuneration sanctioned because of such increased work or responsibility should in no case exceed, without the special sanction of Finance Department, one fifth of substantive pay or Rs. 10 a day, whichever is less.

4. Government servants deputed to posts substantially parallel in work and responsibility to the posts which they would otherwise have occupied should receive no increase in pay, though the peculiar circumstances in which their duty is to be performed may justify reasonable compensatory allowances. An excellent example of this type will be found in the personnel deputed to committees and commissions. Government servants deputed as members of committees and commissions will, ordinarily, be performing no more responsible duties than they would have performed had they remained in the ordinary line of thier service; and it is only in exceptional cases that any extra remuneration can be justified.

5. The foregoing principles may, however, have to be relaxed in exceptional cases, where, having regard to the importance of the duties, it is necessary to secure officers with special qualifications on special terms.

(Sd.) A. F. L. BRAYNE,
Secretary to the Government of India.

APPOINTMENT OF SIKHS TO THE PUNJAB POSTAL CIRCLE OFFICE.

711. ***Sardar Sant Singh:** (*a*) Is it a fact that out of seven officers on the Postal side attached to the Punjab Postal Circle Office there is no Sikh as against four Muslims and a Hindu?

(*b*) Do Government propose to attach a Sikh officer to the Circle Office to avoid preponderance of any one community and with a view to safeguarding the interests of the Sikhs of the Department? If not, why not?

The Honourable Sir Joseph Bhore: (*a*) Taking account of changes being made at present, there are actually six officers on the Postal side attached to the Punjab Postal Circle Office, of whom three are Hindus, two Muhammadans, and one an Anglo-Indian. None is a Sikh.

(*b*) The attention of the Honourable Member is invited to the reply given to part (*b*) of the starred question No. 461 asked by Bhai Parma Nand on the 22nd February last.

APPOINTMENT OF SIKHS IN THE RAILWAY BOARD.

712. ***Sardar Sant Singh:** Will Government kindly place on the table the information asked for in starred question No. 458 which was answered on the 5th March, 1930, regarding the appointment of Sikhs in the Railway Board?

Sir Alan Parsons: A statement is laid on the table.

(*a*)

(*i*) The present strength of the Office of the Railway Board is :

	Permanent.	Temporary.	Total.
Officers	19	1	20
Subordinates (including clerks) .	132	14	146
Inferior servants	79	30	109

(*ii*) The number of Sikhs holding the above posts is :

	Permanent.	Temporary.	Total.
Officers	..	..	..
Subordinates	3	1	4
Inferior servants	..	..	..

Mr. N. M. Joshi: What are those circumstances?

Sir Alan Parsons: The Honourable Member was not I think in the House during our recent debates. The orders of Government are that in carrying out retrenchment so far as possible the proportions of minority communities in service before retrenchment should be retained after retrenchment.

CANDIDATES FOR AN EXAMINATION HELD BY THE CONTROLLER OF RAILWAY ACCOUNTS.

716. ***Sardar Sant Singh:** (*a*) What was the total number of candidates who appeared in the last examination for Appendix D held by the Controller of Railway Accounts and how many of them were Sikhs?

(*b*) How many Muhammadans, Hindus and Sikhs passed?

Sir Alan Parsons: (*a*) 111 candidates appeared (at the examination held in November 1930) of whom 8 were Sikhs.

(*b*) 13 passed of whom two were Muslims, one Sikh and 10 Hindus.

STAFF AND FINANCIAL OFFICERS ON STATE RAILWAYS.

717. ***Sardar Sant Singh:** Will Government kindly state the number of Hindus, Muhammadans and Sikhs who were posted as Staff Officers on Indian State Railways and in the offices under the control of the Financial Commissioner of Railways during 1929, 1930 and 1931?

Sir Alan Parsons: Government regret that they are not prepared to supplement with figures for individual offices or classes of establishment the information in regard to communal representation already given in the Annual Report by the Railway Board on Indian Railways.

SALE OF MEAT IN DELHI AND NEW DELHI.

718. ***Sardar Sant Singh:** (*a*) Are Government aware that *Jhatka* meat is not allowed to be sold openly in Delhi as well as in New Delhi?

(*b*) If it is allowed, is it not a fact that the shops are allowed to be opened in a separate place and away from the bazars or markets or they are ordered to put *purdahs* or chicks at the doors?

(*c*) Are Government aware that mutton is sold openly and shops are allowed to be opened in the bazars freely?

(*d*) Are Government aware that beef is also allowed to be sold freely and openly in the bazars and in Paharganj?

(*e*) Are Government aware that great indignation prevails among the Hindu residents of the parts for hurting their religious susceptibilities?

(*f*) If the reply to part (*d*) above be in the affirmative, do Government propose to stop the open sale of beef at once and confine their sale only in special markets provided for that?

Sir Frank Noyce: (*a*) No special restrictions have been placed on the sale of *jhatka* meat either in Delhi or in New Delhi.

(*b*) There are 7 shops for the sale of raw and 12 for the sale of cooked *jhatka* meat in Delhi and some of them are situated in important bazars. The statement that these shops are forced to use *purdahs* or chicks either in Delhi or New Delhi is incorrect.

(*c*) Yes.

(*d*) and (*e*). I would refer the Honourable Member to the reply given to parts (*a*) (i) and (*a*) (ii) of Bhai Parma Nand's question No. 488 on the 22nd February, 1932.

(*f*) Does not arise.

HAWKING OF MEAT IN NEW DELHI.

719. ***Sardar Sant Singh:** (*a*) Is it a fact that of late in New Delhi mutton is being sold through hawkers also?

(*b*) Is it also a fact that only one shop of *Jhatka* meat is provided near the Gole Market and that too is in a remote corner?

(*c*) Are Government aware that on religious grounds the sale of mutton and beef by hawkers is open to serious objections?

(*d*) Are Government prepared to direct that meat is sold only in the markets and not by hawkers? If not, why not?

Sir Frank Noyce: (*a*), (*c*) and (*d*). There is at present no control of the sale of mutton by hawkers in New Delhi, but the issue of bye-laws to control the sale of all kinds of meat in this area is contemplated.

(*b*) Yes. There is only one *jhatka* shop in the Gole Market. There has been no demand for another shop there.

INCOME-TAX OFFICERS, INSPECTORS AND CLERKS IN THE PUNJAB AND NORTH-WEST FRONTIER PROVINCE.

720. ***Sardar Sant Singh:** (*a*) What is the total permanent number of Assistant Income-tax Officers, Income-tax Inspectors and clerks in the Income Tax Department in the Punjab and North-West Frontier Province and how many of them are Hindus, Muhammadans and Sikhs?

(*b*) Is it a fact that as the result of passing the last Finance Bill, the assessment work of the Income-tax Department has considerably increased and consequently new appointments had to be made?

(*c*) How many of the new appointments in the grade of Assistant Income-tax Officers, Inspectors and office clerks were filled up by Hindus, Muhammadans and Sikhs?

The Honourable Sir George Schuster: (*a*) and (*c*). A statement is laid on the table.

(*b*) Yes.

(*b*) Is it a fact that as a result of retrenchment the strength of accountants in these offices has been reduced? If so, by how many and who have been affected?

(*c*) Are Government aware that the total absence of Sikh accountants in these offices has been brought to the notice of Government since 1925?

(*d*) Are Government prepared to issue instructions for protecting the interests of Sikhs in the accountants' grade in these offices?

Sir Alan Parsons: (*a*) The number of Accountants in the two offices on the 1st October, 1931, was as follows:

Office of the Controller of Railway Accounts.

		Per cent.
Hindus	8	72·7
Muslims	1	9·1
Sikhs	2	18·2

Office of the Director of Railway Audit.

		Per cent.
Hindus	8	88·9
Muslims	1	11·1
Sikhs	..	..

(*b*) In the Controller of Railway Accounts' office, 3 posts (of which 1 was temporary) have been reduced; and 2 Sikhs and 1 Hindu have been reverted to their original offices.

(*c*) and (*d*). The posts of accountants in both these offices are filled from the cadre of accountants in the Railway Accounts and the Indian Audit and Accounts Departments and the posting of individuals at any particular time is determined by the exigencies of the moment. Communal considerations cannot affect the choice.

APPOINTMENT OF SIKHS TO THE CURRENCY OFFICE, LAHORE.

725. ***Sardar Sant Singh:** (*a*) Is it a fact that there are only four Sikhs in the Currency Office, Lahore, as against 57 Hindus and 27 Muslims?

(*b*) Are Government aware that the Sikhs in this office are in too meagre a number?

(*c*) Do Government propose to order the recruitment of Sikhs in all future vacancies so that they may have their due share? If not, why not?

The Honourable Sir George Schuster: The information asked for in part (*a*) is being collected. When it is received a reply will be laid on the table.

ABSENCE OF SIKHS FROM CERTAIN BRANCHES OF ARMY HEADQUARTERS.

726. ***Sardar Sant Singh:** (*a*) How many permanent, and temporary clerical appointments fell vacant in the following offices, (1) General Staff Branch, (2) Military Secretary's Branch, (3) J. A. G. Branch, and (4) A. M. S. (Personal) Branch of the Army Headquarters during 1929, 1930 and 1931 and by which community they were filled up?

(*b*) Is it not a fact that the Sikhs are conspicuous by their total absence in each of these offices?

(*c*) Will Government kindly state the efforts that they made during the above period to give the Sikhs their due share in the services of these offices of the Army Headquarters?

Mr. G. M. Young: (*a*) A statement giving the information desired is placed on the table.

(*b*) There is one Sikh permanently employed in the Military Secretary's Branch at present.

In 1929, one Sikh clerk was employed temporarily in a leave vacancy in the Military Secretary's Branch; and another was similarly employed in the Judge Advocate General's Office.

(*c*) The orders of Government regarding communal representation in the clerical staffs are invariably observed when appointments are made.

Branch or Office.	Number of permanent and temporary vacancies during			Number filled by persons belonging to the Communities indicated.		
	1929.	1930.	1931.	1929.	1930.	1931.
G. S. Branch	7	2	2	4 Europeans (ladies). 2 Hindus. 1 Muhammadan.	1 Hindu. 1 Muhammadan.	1 Hindu. 1 European (lady).
M. S. Branch	12	5	8	4 Soldier clerks. 1 European. 5 Hindus. 1 Muslim. 1 Sikh.	2 Europeans. 3 Muslims.	4 Hindus. 1 Muslim. 1 Anglo-Indian. 2 Europeans.
A. M. S. (P)	..	1	2	..	1 European.	1 European. 1 Muhammadan.
J. A. G.	7	..	1	5 Hindus. 1 Sikh. 1 Indian Christian.	..	1 Hindu.

APPOINTMENT OF SIKHS TO THE OFFICE AND PRESS OF THE PRIVATE SECRETARY TO THE VICEROY, ETC.

727. ***Sardar Sant Singh:** (*a*) Is it not a fact that the Sikhs are conspicuous by their absence in the following offices:

(i) Director of Information Bureau,

(ii) Office of the Private Secretary to the Viceroy, and

(iii) Press of the Private Secretary to the Viceroy?

(*a*) The total number of permanent Assistant Income-tax officers, Income-tax Inspectors and Clerks in the Punjab and North-West Frontier Province and the number of Hindus, Mohammedans, Sikhs and others employed against these posts is as follows :—

——	Permanent posts.	Hindus.	Muslims.	Sikhs.	Others.
Assistant Income-tax Officers .	9	2	4	..	3
Inspectors	39	23	12	3	1
Clerks	175	99	51	18	7

(*c*) No new appointments in the grade of Assistant Income-tax Officers were made Thirty-one Assessing Officers were sanctioned for the Punjab and North-West Frontier Province, of which only thirty have been filled by appointment of members of the existing staff who get an allowance of Rs. 25 per mensem for the additional responsibilities involved in addition to their substantive pay. These consist of :

Mohammedans	11
Hindus	15
Sikhs	3
Others	1

Twenty-four new appointments of Income-tax Inspectors were made in the Punjab and North-West Frontier Province. Eleven of these were made by departmental promotion and consist of :—

Mohammedans	2
Hindus	6
Sikhs	2
Others	1

The remaining thirteen were directly recruited as follows :—

Mohammedans	7
Hindus	3
Sikhs	3

One-hundred and twenty new appointments of Assistant Clerks were made in the Punjab and North-West Frontier Province, 64 of which were given to Mohammedans, 35 to Hindus, 17 to Sikhs and 4 to others.

NUMBER OF SIKHS ON COMMITTEES OF THE ROUND TABLE CONFERENCE.

721. ***Sardar Sant Singh:** (*a*) Will Government kindly state the number of Sikhs taken in each of the following committees of the Indian Round Table Conference:

(i) Federal States Committee;

(ii) Federal Franchise Committee; and

(iii) Consultative Committee?

(*b*) Will Government be pleased to state the number of Hindus, Muhammadans, Anglo-Indians and Sikhs taken in each of these Committees and why no Sikh was taken?

(*c*) Will Government kindly state the names and qualifications of the Sikh candidates for each Committee and those of others who were taken in preference to the former?

The Honourable Sir George Rainy: The information has been called for from the Committees concerned and will be supplied to the House when received.

NON-EMPLOYMENT OF SIKHS AS GATE-KEEPERS AT ARMY HEADQUARTERS.

722. ***Sardar Sant Singh:** (*a*) What is the total number of gate-keepers who were recruited from amongst the Indian *ex*-military men for guarding the Army Headquarters in New Delhi and Simla and to which community do they belong?

(*b*) When were they recruited?

(*c*) Who made the selection and how was it carried out?

(*d*) Will Government kindly state the reason for which no Sikh was taken? Were not the Home Department's orders regarding communal representation in the services at the time in force?

Mr. G. M. Young: (*a*) 14; Punjabi Mussalmans.

(*b*) During 1930-31.

(*c*) Selection was made by the Recruiting Officers, Rawalpindi and Delhi, and approved by the officer in charge of the Army Headquarters Police.

(*d*) For reasons of economy and convenience, these men have all been selected from one class, as owing to the limited accommodation available, they have to live, sleep, and eat their meals together. The orders to which my Honourable friend presumably refers apply to clerical establishments only.

APPOINTMENT OF SIKHS IN THE AUDIT OFFICE, INDIAN STORES DEPARTMENT.

723. ***Sardar Sant Singh:** (*a*) What is the total number of Sikh accountants in the offices of the Audit Officer, Indian Stores Department and the Auditor General?

(*b*) Will Government kindly state the efforts made by them to give the Sikh minority its due share in each of these offices since 1924 and how or by men of which community the vacancies that occurred in the above period were filled up?

(*c*) What is the clerical strength of the Audit Office, Indian Stores Department at present and how many of them are Hindus, Muhammadans and Sikhs and which province they belong to?

The Honourable Sir George Schuster: Enquiry is being made and a reply will be laid on the table in due course.

ABSENCE OF SIKH ACCOUNTANTS IN RAILWAY AUDIT AND ACCOUNTS OFFICES.

724. **Sardar Sant Singh:** (*a*) What was the total number of accountants in the Office of the Director, Railway Audit, and the Controller of Railway Accounts and how many of them were Hindus, Muhammadans, and Sikhs on the 1st October, 1921 and what was the proportion of each of these communities?

(*b*) How many vacancies took place in 1929 and 1930 in each of these offices and by which community were they filled up?

(*c*) Do Government propose to take a sufficient number of Sikhs in each of these offices in future vacancies? If not, why not?

The Honourable Sir James Crerar: (*a*) There are no Sikhs in the offices mentioned.

(*b*) During the period mentioned one vacancy occurred in the office of the Director of Public Information and two in the Private Secretary to His Excellency the Viceroy's Press. These were filled by a Hindu and two Muslims respectively. There were no vacancies in the Private Secretary to His Excellency the Viceroy's Office.

(*c*) The Honourable Member's suggestion will be carefully considered when occasion arises.

POSITION OF SIKHS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

728. ***Sardar Sant Singh:** (*a*) Will Government state whether they have received a representation from the Sikh Rights' Protection Society with regard to the position of the Sikhs in the various services in the Posts and Telegraphs Department?

(*b*) Will Government please lay on the table a copy of the said representation and state what action they propose to take on the said representation in order to equalize the communal inequality?

The Honourable Sir Joseph Bhore: (*a*) A representation, dated the 15th January, 1932, addressed to the Director General of Posts and Telegraphs was received.

(*b*) The representation set out in some detail the alleged inadequate employment of Sikhs in the Punjab and North-West Frontier Province Posts and Telegraphs Circle: it is not considered necessary to place it on the table. As regards the latter part of the question, Government are of opinion that consideration of the claims of minority communities, including Sikhs, to a share in all services in the Posts and Telegraphs Department is sufficiently secured by the orders of Government, to the effect that in making appointments to these services every third vacancy shall be utilised for the adjustment of communal inequalities, and they do not, therefore, intend to take any direct action on the representation in question.

SAFEGUARDING THE INTERESTS OF SIKHS IN VARIOUS SERVICES.

729. ***Sardar Sant Singh:** (*a*) Will Government state when they are going to appoint a suitable Sikh on the Public Service Commission to look after the interests of the Sikhs in the various services?

(*b*) Is it not a fact that the Sikhs in the following services are not represented according to their numerical strength:

1. Railway Engineering Service,
2. Superintendents, Post Offices,
3. Indian Forest Service,
4. High Court Judges, and
5. Accounts and Audit Service with special reference to Controller of Military Accounts and Account Officers in the Railway Department?

The Honourable Sir James Crerar: (*a*) The Honourable Member's attention is invited to the reply I gave in this House on the 28th January, 1931, to question No. 155 by Sirdar Harbans Singh Brar.

(*b*) I have not the information the Honourable Member requires.

APPOINTMENT OF SIKHS AS PORTERS IN THE DELHI RAILWAY MAIL SERVICE.

730. ***Sardar Sant Singh:** (*a*) Will Government be pleased to furnish the following information in respect of Delhi R. M. S.,

(i) Total number of porters and

(ii) Number of "Sikh porters"?

(*b*) Is it a fact that the representation of the Sikh community in the cadre of porters is *nil*, and are Government prepared to order the administrative officers to recruit members of the Sikh community in that cadre?

The Honourable Sir Joseph Bhore: With your permission, Sir, I propose to take questions Nos. 730 and 733 together.

Information is being collected and will be placed on the table of the House in due course.

SIKH OFFICIALS IN THE RAILWAY MAIL SERVICE IN THE PUNJAB.

731. ***Sardar Sant Singh:** (*a*) Will Government be pleased to furnish the following information in respect of the R. M. S. in the Punjab Postal Circle:

(i) total number of Inspectors and other officials in the selection grades, and

(ii) number of Sikh officials in the selection grades?

(*b*) Are Government aware that the Sikh community has not got an adequate share in the selection grade posts, and are Government prepared to promote qualified Sikh officials to such posts?

The Honourable Sir Joseph Bhore: (*a*) (i) 43.

(ii) 4.

(*b*) Government have not examined whether the share of the Sikh community in the selection grade posts is adequate or not, since as has been frequently stated in this House, promotion from a lower to a higher grade in the Department is regulated by considerations of merit and seniority. The representation of minority communities is secured by the reservation of vacancies occurring in such posts as are filled by direct recruitment, and Government are not prepared to allow communal considerations to override all others when it is only a question of making promotions.

TRANSFER OF INSPECTORS OF THE RAILWAY MAIL SERVICE, PUNJAB CIRCLE.

732. ***Sardar Sant Singh:** (*a*) Is it a fact that the posts of Inspectors and head sorters are interchangeable in the R. M. S.?

(*b*) Is it a fact that certain officials have been holding the posts of Inspectors R. M. S. in the Punjab Circle for many years, *e.g.*, Mr. Sarfaraz Hussain since 1914?

(*c*) Do Government propose to order transfer of such officials who are holding the posts of Inspector R. M. S. to work as head sorters?

Mr. T. Ryan: (*a*) Yes.

(*b*) The reply to the general part of the question is in the affirmative. The case of the gentleman named is not as stated.

(*c*) Government do not propose to make any such general transfers, the posts of Inspectors and Head Sorters are filled as the exigencies of the service may require.

APPOINTMENT OF SIKH PORTERS AND VAN PEONS IN THE RAILWAY MAIL SERVICE, DELHI.

†733. ***Sardar Sant Singh:** (*a*) Is it a fact that there is no Sikh among the porters and van peons attached to the office of the Superintendent R. M. S., D. Division Delhi and Head Record Office, Delhi?

(*b*) Are Government prepared to call for the explanations of the officials responsible for recruiting during the year 1930 and 1931 only non-Sikh candidates against the clear order of Government for giving every third vacancy to a community which is inadequately represented?

PROMOTIONS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

734. ***Sardar Sant Singh:** (*a*) Is it a fact that during the last 10 or 11 years the graduates recruited in the Posts and Telegraphs Department were allowed higher pay than that given to non-graduates, and that seniority has been regulated on the basis of pay *i.e.*, a graduate entering the department in 1926 is shown senior to a non-graduate who entered the department in 1923?

(*b*) Is it a fact that Government have prescribed an examination, the passing of which is a compulsory condition for promotion to the lowest selection grade in the said department?

(*c*) Is it a fact that according to the principle in force at present for fixing seniority, a graduate who entered the department in 1926 is to be promoted to the lowest selection grade earlier than a non-graduate who entered the department in 1923, assuming that both the officials (graduate and under-graduate) pass the prescribed departmental examination?

(*d*) Are Government aware that the procedure of giving a higher position to graduates in fixing seniority is a source of grievance to non-graduates, as far as promotion to the lowest selection grade is concerned?

(*e*) Is it a fact that Government have now withdrawn the concession of allowing higher pay and higher position in gradation list to graduates?

(*f*) Is it a fact that promotion to the lowest selection grade examination is subject to the main condition of passing the examination, and that any non-graduate official who passes that examination qualifies for promotion to the said grade earlier than any graduate who joins the department later than the non-graduate?

†For answer to this question, *see* answer to question No. 730.

(*g*) Are Government prepared to reconsider the matter and make it a rule that for the purpose of promotion to the lowest selection grade, seniority in the waiting list of candidates for that grade, should be observed *strictly in accordance with the date of entry in department?*

(*h*) Will Government be pleased to give reasons for the continuance of the present system?

Mr. T. Ryan: (*a*) The facts as stated are substantially correct. But the position has since changed with the tentative discontinuance of the concession of higher initial pay to graduates and intermediates.

(*b*) Yes, but the examination referred to has recently been abolished.

(*c*) It is a fact that, as such a graduate would be shown as senior to the undergraduate in the clerical cadre, he would derive therefrom such advantage as may attach to seniority.

(*d*) No doubt the non-graduates regard it as a grievance.

(*e*) This has been done at least as an *ad interim* measure: the question whether it should become the permanent arrangement is under consideration.

(*f*) No, in view of the fact that the examination has recently been abolished.

(*g*) and (*h*). No. Government are not prepared to revise the existing order of seniority which depends on the conditions in force at the time of recruitment.

SIKH HOLIDAYS IN THE PUNJAB POSTAL DEPARTMENT.

735. ***Sardar Sant Singh:** (*a*) Is it a fact that Post Office holidays in each province of India are fixed with reference to the religious rites and festivals of the people inhabiting that province, that is to say that postal holidays allowed in the various provinces do not fall on common dates but differ according to the rites and festivals prevalent in each province?

(*b*) Is it a fact that no postal holiday is allowed for any Sikh festival in the Punjab and that merely instructions are issued for granting permission to Sikh employees to perform their religious rites for a few hours, *subject to the condition that they can be spared conveniently*, and that in case a Sikh requires permission for the full day his absence is to be treated as casual leave?

(*c*) Will Government be pleased to state the circumstances in which such treatment is accorded to the Sikh employees? Is it a fact that the members of other communities enjoy the privilege of full day's holiday on various festivals, in the Post Office Department?

(*d*) Are Government prepared to order that Guru Nanak's and Guru Gobind Singh's birthdays are observed as Post Office holidays in the Punjab?

(*e*) If the reply to part (*d*) is in the negative, will Government be pleased to give reasons for it?

Mr. T. Ryan: (*a*) There are 7 postal holidays and they are generally fixed with reference to religious festivals which are common to India as a whole though there are some differences according to local conditions.

(*b*) It is a fact that no postal holiday is allowed for any Sikh festival in the Punjab. Government have no information regarding the grant of permission to Sikh employees to perform their religious rites for a few hours under certain conditions or giving them a full day's absence as casual leave.

(*c*) It is not a fact that members of all other communities except Sikhs enjoy the privilege of a full day's postal holiday in their various festivals.

(*d*) No.

(*e*) Because the multiplication of postal holidays and the more frequent closing of post offices would prove a great inconvenience to the public.

APPOINTMENT OF MUSLIMS TO THE INCOME-TAX DEPARTMENT.

736. ***Seth Haji Abdoola Haroon:** (*a*) Will Government be pleased to state whether it is a fact that since the passing of the last Finance Bill, the assessment work of the Income-tax Department has considerably increased and, owing to that, new appointments in the Department had to be made?

(*b*) In making these appointments, did Government keep in view the paucity of the Muslims in the Department, and have they issued instructions to the appointing authorities to give more posts to the Muslims as compared with other communities?

(*c*) How many new postings of Income-tax Officers, Income-tax Inspectors and office clerks were made in the Income-tax Department in Sind, in the current and the last year and how many of them were Mussalmans?

The Honourable Sir George Schuster: The information has been called for and will be laid on the table in due course.

Mr. Gaya Prasad Singh: Do Government propose to recruit in the Income-tax Department members of different communities in proportion to the amount of income-tax paid by them?

The Honourable Sir George Schuster: No, Sir.

APPOINTMENT OF MUSLIMS TO THE INCOME-TAX DEPARTMENT.

737. ***Seth Haji Abdoola Haroon:** (*a*) Do Government contemplate making more appointments of Income-tax Officers, Income-tax Inspectors and clerks in the year 1932, in the Income-tax Department in Sind?

(*b*) In case any more appointments are to be made, do Government propose to issue instructions to appoint more Muhammadans to make up their deficiency in the Department?

The Honourable Sir George Schuster: (*a*) There is no such intention at present.

(*b*) Does not arise. In any case there are standing instructions in regard to recruitment to the public service in such a way as to ensure against the undue preponderance of any community.

PROVISION OF ACCOMMODATION FOR POLITICAL PRISONERS IN DELHI.

738. ***Mr. Gaya Prasad Singh:** (*a*) Will Government kindly state if they propose to convert the "Purana Killa" (old Fort) in New Delhi, or any other place, as a prison for the accommodation of political prisoners? If so, what arrangements are being made for their proper housing, and other necessary facilities?

(*b*) Have ordinary convicts been released before the expiry of their terms, from the Delhi, and other jails in the centrally administered territories from November last to make room for civil disobedience, and other political prisoners? If so, how many?

The Honourable Sir James Crerar: (*a*) The overflow from the Delhi District Jail of civil disobedience prisoners will be accommodated in a Camp Jail which is being constructed between the Reformatory and the Railway line.

(*b*) 84 prisoners have been released before the expiry of their terms from the Delhi Jail, of whom 14 were convicted by Delhi Courts and 70 by Courts in the Punjab. No prisoners have been so released from the North-West Frontier Province, Coorg and Ajmer-Merwara Jails.

Mr. K. C. Neogy: Will Government consider the desirability of utilising the Legislative Buildings as an additional jail for political prisoners?

The Honourable Sir James Crerar: No, Sir.

DISCHARGE OF SIKH CLERKS FROM THE MILITARY ACCOUNTS DEPARTMENT.

739. ***Sardar Sant Singh:** (*a*) Is it a fact that two Sikh clerks with 19 and 13 years service to their credit have been discharged from the Military Accounts Department, Quetta, while junior clerks with much shorter periods of service have been retained?

(*b*) Is it a fact that both of these gentlemen are in possession of medals awarded to them in recognition of their war services? Is it not a fact that instructions have been issued by the department that such services should have been taken into consideration? If so, were those instructions complied with in their case?

(*c*) If not, are Government prepared to revise their cases now?

(*d*) Is it a fact that a Muhammadan clerk has been re-employed after discharge? If so, on what grounds? Do not the same grounds exist in the case of the Sikh clerks?

(*e*) Is it a fact that petitions for voluntary retirement have been received by the Military Accounts Department, Quetta, from many hands employed? If so, are Government prepared to issue instructions that discharged Sikh hands be retaken in places thus vacated?

The Honourable Sir George Schuster: (*a*) Notices of discharge on retrenchment were served on the two Sikh clerks in question. The notice of discharge on the senior of the two clerks has since been withdrawn and he will be retained in service. The answer in respect of the clerk with 13 years' service is in the affirmative.

(*b*) The answer to all three parts of the question is in the affirmative.

(*c*) Does not arise.

(*d*) No. Parts two and three of the question do not arise.

(*e*) The answer to the first part is in the affirmative. The answer to the second part is that the places vacated by voluntary retirement are surplus to requirements and will not be filled.

SIKH REPRESENTATION TO THE DIRECTOR, ARMY AUDIT, REGARDING REDUCTIONS.

740. ***Sardar Sant Singh:** Is it a fact that the President, Sri Guru Singh Sabha, Lyallpur, has made a representation to the Director, Army Audit Office, regarding the making of reductions in the different offices as affecting the Sikhs? If so, what action has been taken on the same?

The Honourable Sir George Schuster: Enquiry is being made and a reply will be laid on the table in due course.

NUMBER OF INDIAN MEDICAL DEPARTMENT ASSISTANT SURGEONS ON VARIOUS RAILWAYS.

741. ***Sardar Sant Singh:** (*a*) Will Government please state the total number of I. M. D. Assistant Surgeons on each of the following Railways:—(1) North Western Railway, (2) East Indian Railway, (3) Eastern Bengal Railway, and (4) Great Indian Peninsula Railway? What number is fixed for each?

(*b*) Is the number on the North Western Railway to be reduced? If not, what are the reasons for accommodating a larger number of I. M. D. on the North Western Railway than the number fixed therefor?

(*c*) Why has the number not been reduced so far?

(*d*) When is the number likely to be reduced?

Sir Alan Parsons: (*a*) The present and allotted numbers of Military Assistant Surgeons are:

Railway.	Present	Allotted
	No.	No.
North Western	14	10
East Indian	2	4
Eastern Bengal	5	4
Great Indian Peninsula	..	5

(*b*), (*c*) and (*d*). I would refer the Honourable Member to my reply to parts (*b*), (*c*) and (*d*) of Shaikh Sadiq Hasan's question No. 190 on the 10th February, 1932.

MUSLIM AND HINDU DUFTRIES AND PEONS EMPLOYED IN VARIOUS DEPARTMENTS.

742. ***Mr. Muhammad Anwar-ul-Azim:** (*a*) Is it a fact that:

(i) the number of Muslim duftries, jemadars and peons employed in the various departments is remarkably less than the number of Hindus similarly employed; and

(ii) that in some departments only the Hindus have been employed in these vacancies?

(*b*) Will Government please lay on the table a statement showing the total number of Muslim duftries, jemadars and peons employed in each department as against the Hindus so employed?

The Honourable Sir James Crerar: (*a*) and (*b*). I lay on the table a statement showing the number of duftries, jemadars and peons employed in the various departments of the Government of India and their communal composition.

Departments.	Duftries and Record Sorters.				Jemadars.				Peons & Dafadars.			
	Total employed.	Hindus.	Muslims.	Other Communities.	Total employed.	Hindus.	Muslims.	Other Communities.	Total employed.	Hindus.	Muslims.	Other Communities.
Army	21	19	2	..	3	3	..	..	49	41	8	..
Commerce	8	6	2	..	3	2	1	..	34	34	..	..
Education, Health and Lands	21	12	9	..	4	3	1	..	45	37	8	..
Finance	13	8	5	..	3	2	1	..	28	26	2	..
Foreign and Political	20	15	5	..	6	5	1	..	85	74	11	..
Home	14	7	7	..	4	4	..	..	46	41	5	..
Imperial Council of Agricultural Research.	4	2	2	..	4	4	..	..	14	8	6	..
Industries and Labour	18	13	4	1*	4	4	..	..	52	44	8	..
Legislative	9	4	4	1*	3	2	1	..	55	47	8	..
Legislative Assembly	9	6	3	..	2	1	1	..	23	20	3	..
Military Finance	8	6	2	..	3	3	..	..	34	33	1	..
Railway Board	16	16	..	..	6	3	3	..	71	69	2	..
Reforms Office	2	1	1	..	1	1	..	..	12	10	2	..
Total	163	115	46	2	46	37	9	..	548	484	64	..

* Indian Christians.

OLD RECORD SORTERS, JEMADARS AND PEONS RETAINED IN THE GOVERNMENT OF INDIA SECRETARIAT.

743. ***Mr. Muhammad Anwar-ul-Azim:** (*a*) Is it a fact that there are record sorters, jemadars and peons of over-age and with over 30 and 40 years' service, in some cases, to their credit serving in the Government of India Secretariat?

(*b*) If so, why have they not been served with notices of retirement?

The Honourable Sir George Schuster: The information is being collected and will be laid on the table in due course.

FAMILY TRAVELLING ALLOWANCE FOR DUFTRIES AND PEONS.

744. ***Mr. Muhammad Anwar-ul-Azim:** (*a*) Is it a fact that family travelling allowance between Delhi and Simla is given to the ministerial staff of the Government of India and attached offices, and is it also a fact that duftries, record sorters, jemadars and peons are deprived of this privilege, and that they are not given travelling allowance, if they go on leave after a year?

(*b*) If so, will Government kindly state why they are not given family travelling allowance?

The Honourable Sir James Crerar: (*a*) The ministerial staff in the Secretariat and attached offices are entitled to family travelling allowance for the moves between Delhi and Simla. Inferior servants in the Secretariat comprising the grades mentioned enjoy this concession but such servants in attached offices do not. I am not clear what the Honourable Member is referring to in the last portion of this part of his question.

(*b*) The question of extending to inferior servants in attached offices the concession of drawing family travelling allowance has had to be postponed in view of the present financial stringency.

QUARTERS FOR DUFTRIES.

745. ***Rao Bahadur M. C. Rajah:** (*a*) Will Government please state the number of quarters so far built for duftries?

(*b*) Will Government please state the number of duftries and Record Sorters at present employed in each department of the Government of India?

(*c*) Will Government please state the rules governing the allotment of quarters to duftries?

The Honourable Sir Joseph Bhore: (*a*) There are 120 duftries' quarters in New Delhi excluding those in the Press area; 10 of the latter were utilized for general purposes in the current year.

(*b*) The information is being collected and will be placed on the table of the House.

(*c*) The practice is that these quarters are distributed proportionately to the various Departments and attached offices (migratory and non-migratory) in accordance with their demands.

QUARTERS FOR DUFTRIES.

746. ***Mr. S. G. Jog:** (*a*) Is it a fact that duftries in the Government of India are not receiving the full quota of their allotment?

(*b*) Is it a fact that of the "married" and "unmarried" quarters built for duftries of the Government of India Secretariat nearly 50 were allotted to duftries of local offices, and nearly 16 reserved for the Estate Officer?

(*c*) If so, what were the reasons that led the authorities concerned to do so?

The Honourable Sir Joseph Bhore: (*a*) No.

(*b*) 59 quarters were allotted to non-migratory and local offices and 71 to migratory offices. None were reserved for the Estate Office.

(*c*) Does not arise.

UNSTARRED QUESTIONS AND ANSWERS.

POST OF PERSONAL ASSISTANT TO THE CONTROLLER OF INSPECTION, INDIAN STORES DEPARTMENT.

140. **Kunwar Hajee Ismail Ali Khan:** (*a*) Is it a fact that it is necessary that the post of Personal Assistant to the Controller of Inspection, Indian Stores Department, must be held by a man who must have passed the subordinate accounts examination?

(*b*) Is it not a fact that Inspectors of Stores in the Indian Stores Department must remain on probation for five years before they are confirmed in their appointments?

(*c*) What is the designation of the post held by Mr. Kirpa Ram of the Indian Stores Department?

(*d*) Is it a fact that the Retrenchment Committee have recommended the abolition of the post held by Mr. Kirpa Ram? If so, why has it not been abolished up till now?

The Honourable Sir Joseph Bhore: (*a*) and (*b*). No.

(*c*) Assistant Director of Administration and Intelligence.

(*d*) No. The second part does not arise.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

141. **Sardar Sant Singh:** (*a*) With reference to the answer given to parts (*a*), (*b*) and (*c*) of starred question No. 274 on the 12th February, 1932, will Government please state whether it is a fact that the following persons were invalided from field service overseas and discharged as unfit for further military service by medical boards and their claims to disability pension rejected as per authorities quoted hereunder:

(i) Government of India Army Department letter No. B.-15578-1-A.G.-14, register No. 6518-A.D.-2, dated 29th June, 1931, *re* Jemadar Pahlad Singh of 13th Rajputs.

(ii) Letter No. 63/iv/62/M., dated 26th May, 1931, of the Headquarters Delhi Independent Brigade Area, *re* Subedar Harnam Singh.

(iii) Letter No. R./121/741/25, dated 11th August, 1931, of the Corps Headquarters Bombay Pioneers, Kirkee, *re* No. 741 Reservist Lal Khan.

(iv) Letter No. A.-T./60/1/291, dated 1st September, 1930, of the Commandant, 3rd Cavalry, Poona, *re* No. 354 Sowar Wali Mohd.

(v) C. M. P. A. N. and E. Commands, Lahore, letter No. G.-3/1259, dated 27th January, 1931, *re* No. 469 Sepoy Badam.

(vi) Letter No. 07321/83/A., dated 9th November, 1931, of the Headquarters Deccan District, Bularam, *re* No. 3882 Lance-Naik Chandra Ram.

(vii) Letter No. 1300/15/A., dated 26th August, 1931, *re* No. 4130 Sepoy Gyani Ram of 6th Jat Regiment.

(viii) Letter No. 1650/401/R.B., dated 7th August, 1931, of the Corps Headquarters, 6th Pioneers.

(ix) Letter No. 989/477-P., dated 18th February, 1932, of the Officer in charge, I. A. S. C., Records Dagshai, *re* temporary Dafadar Peelu Singh.

(x) Letter No. G.-3/3464, dated 26th August, 1931, of the C. M. P. A. N. and E. Commands, Lahore, *re* No. 424 *ex*-Sowar Chanan Singh.

(xi) Letter No. A./25/2/439, dated 9th March, 1931, of 2/1st Punjab Regiment, *re* No. 2285 Sowar Bishan Singh.

(xii) Letter No. If./Pen/Rec./12861-28, dated 23rd July, 1931, of the R. A. T. C. Muttra, *re* No. 18615 Driver Bhagdal, and

(xiii) Letter No. G.-3/2891, dated 21st August, 1931, of C. M. P. A., N. and E. Commands, Lahore, *re* No. 2213 Sarwan Singh:

(*b*) Is it a fact that these cases were further examined by medical boards which came to the conclusion that their disabilities were not attributable to military service and hence no pension was granted in the cases above referred to?

(*c*) Is it a fact that these persons were enlisted when the Army Regulations, Volume I (1915 edition), was in force? Is it a fact that their claims to pensions were adjudged under the Pay and Allowance Regulation that came into force on 1st April, 1923, and that the provisions of the 1923 Regulations are fundamentally different from those of 1915 as regards pension (para. 1052 of A. R. I., Volume I of 1915 edition) and para. 608 of Pay and Allowance Regulations of 1923 edition?

(*d*) Is it not a fact that these persons were enlisted under the distinct understanding that they were to be governed by the 1915 Regulations if any new rules affected them adversely? Were these persons consulted before the changes were effected in 1923, when their status and right to pension were changed?

Mr. G. M. Young: (*a*) and (*b*). The only case with which I am acquainted is that of Jemadar Pahlad Singh. The facts are as stated in regard to him: but he was allowed a service pension. In regard to the other cases the facts are probably as stated, as persons invalided from service overseas on account of disabilities not attributable to military service have never been eligible for disability pensions.

(*c*) and (*d*). Inquiries are being made, and replies will be laid on the table later.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

142. **Sardar Sant Singh:** With reference to the answer given to starred question No. 274, part (*c*) on the 12th February, 1932, will Government please see whether the following cases invalided on account of (i) asthma, and (ii) trachoma, contracted in circumstances similar to those stated in the preceding question, have not been adjudged differently by different medical boards admitting and rejecting pensions accordingly?

(*a*) Admitted disability pension for Asthma:

C. M. A., Quetta, P. C. No. 16 of 1923 and Lahore P. C. No. 70 of 1930.

(*b*) Rejected disability pension for Asthma:

Adjutant General's letter No. B.-14071/4/A.G.-14, dated 18th June, 1931.

Headquarters, Delhi Indept. Bde. Area Medical Branch, Delhi Cantt. letter No. 619/62/M., dated 23rd September, 1931.

R. A. T. C. Records Muttra, letter No. If./Pen./Rec./12829-18, dated 22nd August, 1931.

(*c*) Granted disability pension for Trachoma:

R. A. T. C. Records Muttra, letter No. If./Pen./Rec./12657-8, dated 22nd April, 1930.

Adjutant 2nd Lancer Meerut, letter No. 1978/25/1, dated 10th July, 1931.

(*d*) Rejected disability pension for Trachoma:

Officer i/c Records C. H. Q. Bombay Pioneers, letter No. R./121/741/25, dated 11th August, 1931.

Deputy Controller of Military Pensions, Lahore, letter No. G.-3/1978, dated 28th/30th November, 1931.

Officer i/c Records R. A. T. C. Muttra, letter No. If. Pen./Rec./97/15, dated 29th August, 1931.

Mr. G. M. Young: I am prepared to accept the facts as stated by the Honourable Member. It is quite possible that some cases of asthma or trachoma have been attributed to military service, while others have not. The medical boards had the full facts before them when coming to their decision in each case.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

143. **Sardar Sant Singh:** (*a*) How do Government reconcile the answer given on the 12th February 1932, in reply to question to No. 275 with the answer given to starred question No. 277 of that date? Is it not a fact that the aggrieved person cannot appeal against the decision of the medical board unless he is supplied with the grounds for their decision, and also that he cannot demand a fresh medical board?

(*b*) How many times were fresh medical boards ordered in the cases of Indians who have been thus disabled and whose disabilities were declared by the medical board to be not attributable to military service?

(*c*) Is it not a fact that the fresh medical boards are not permitted to go into the question as to whether the disability was attributable or was not attributable to military service when the first medical board declared it to be not attributable to military service (*vide* India Army Order No. 180 of 1927 and paragraph 414 of the Regulations for medical service of the Army in India referred to by the Honourable Member in answer to the starred question No. 274, answered on the 12th February, 1932)? On what grounds can such persons prefer an appeal to the superior military authorities?

Mr. G. M. Young: (*a*) There was no inconsistency. The grant, or withholding, or the assessment of a disability pension indicates at once to the person concerned what the finding of the Medical Board has been: and he is at liberty to appeal against that finding. The proceedings only are kept confidential.

(*b*) The information is not available.

(*c*) India Army Order No. 180 of 1927 contains provision for assembling medical boards, not in cases of appeal, but in cases in which a previous board had not been able finally to assess the degree of disability. Such boards cannot go into the question of the origin of the disability, as that

was decided by the original board. There is, however, nothing to prevent an appeal being preferred against the decision of an original board, either on the point of attributability to military service, or in regard to the degree of disability.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

144. **Sardar Sant Singh:** With reference to the answer given to starred question No. 276 on the 12th February, 1932, will Government kindly state whether in the case of British ranks, deaths due to pneumonia during military operations, have often been regarded as attributable to military service? If so, is it not a fact that both British ranks and Indian ranks are governed by the same principles with regard to family pension? If so, why should there be such a discrimination in the recommendations of the medical boards?

Mr. G. M. Young: The pensions of British ranks are sanctioned by the Home authorities. Inquiries have been made and a reply will be communicated to the House in due course.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

145. **Sardar Sant Singh:** With reference to the answer to starred question No. 276, answered on 12th February, 1932, is it a fact that the appeals were returned by Army Headquarters to the appellants, for submitting the same through the Officer Commanding, who himself had decided the cases and who declined to forward the appeal to the higher authority? Is it not a fact that in several cases appeals were returned for disposal to the self-same officer whose decisions were being appealed against?

Mr. G. M. Young: I am making inquiries and will lay a reply on the table later.

PENSIONS OF RANKS RE-ENGAGED FOR THE GREAT WAR.

146. **Sardar Sant Singh:** (*a*) With reference to the answer given to starred question No. 280 on 12th February, 1932, is it not a fact that the enlistment or re-enlistment made during the period of the war was made by giving the enlisted persons an impression that their past services would count towards pension, in accordance with the Army Regulations of 1915 which were then in force?

(*b*) Is it not a fact that the Officers Commanding at the time of discharge of such persons made an advance of six months pension and inserted in the discharge certificate that these persons were being discharged without pension? Is it not a fact that the Controller of Military Accounts disallowed such orders of the Commanding Officer?

(*c*) Did Government make any inquiry into the question whether at the time of enlistment or re-enlistment these persons were given to understand that they would get pension after their discharge just as the other men with continuous service?

Mr. G. M. Young: (*a*) There was no provision in the Army Regulations (1915 Edition) that re-enlisted pensioners, who continued to receive their pensions during the period of re-employment could count their previous service towards further pensions. Government have no reason to believe that any such impression was conveyed to re-enlisting pensioners.

(*b*) The Government of India are not aware of any such cases. They have been informed that in some cases where men were granted gratuities they were under the impression that they had been given advances of pension.

(*c*) No.

PENSIONS ADMISSIBLE TO WIDOWS AND MOTHERS OF DECEASED RANKS.

147. **Sardar Sant Singh:** (*a*) Will Government please refer to answer to question No. 281 of 12th February, 1932, and say if it is not a fact that the persons who joined the Army during the war joined under the rules which provided a life pension for widows and mothers in case of their death after 6th August, 1918, if the same was due to military service? Will Government please state whether the rule was changed without the consent of the person thus enlisted? If so, why?

(*b*) Is it not a fact that paragraph 1077 of Army Regulations (India), Volume I (1915 edition), did provide that if an heir to a family pension was adversely affected by the changed rules, he could claim pension under the rules in force at the time of the deceased's enlistment?

Mr. G. M. Young: (*a*) Under the rule in force before the 6th of August, 1918, family pensions were payable to widows and mothers for life; but this rule was altered with effect from that date, to provide that payment of such pensions should cease on re-marriage. It is not necessary, nor is it the practice, to consult military personnel before changes are made in the rules.

(*b*) The rule read as stated, up to April 1916, when it was changed so as to provide that an heir could claim to receive a pension under the rules in force before the 5th August, 1914, if the deceased soldier enlisted before the 14th January, 1915.

FORFEITURE OF MILITARY PENSIONS FOR PARTICIPATION IN POLITICAL ACTIVITIES.

148. **Sardar Sant Singh:** (*a*) Will Government kindly refer to the answer to question No. 282 of the 12th February, 1932, and state if it is not a fact that the department has in its possession full returns of the forfeitures of military pensions due to the activities mentioned in that question?

(*b*) If so, will Government kindly state whether it is a fact that no military pension can be forfeited on account of conviction for political offences?

Mr. G. M. Young: (*a*) Information is available only in respect of pensions forfeited since April, 1930. A list of forfeitures was published in India Army Order No. 91 of 1932 and in the *Fauji Akhbar* of 20th February, 1932.

(*b*) The answer is in the negative.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

149. **Sardar Sant Singh:** (*a*) Is it a fact that people were discharged on the recommendation of Medical Boards as being unfit for further service when they had almost finished their service of 15 years which would have entitled them to pension?

(*b*) Is it a fact that in most cases the un-expired portion of their service could have been covered by granting them privilege leave which stood to their credit?

(*c*) Is it a fact that, later on, the disability of the personnel referred to above was pronounced by the medical board to be unattributable to military service and thus they were deprived of their rights to disability pensions also?

(*d*) Are Government prepared to take steps to remedy the grievances of such people if their cases were brought to the notice of the department?

Mr. G. M. Young: (*a*), (*b*) and (*c*). Government are not aware of any such cases.

(*d*) Government are prepared to examine on its merits any case submitted by the individual concerned through the proper channel.

GRIEVANCES OF MILITARY MEN DENIED PENSIONS.

150. **Sardar Sant Singh:** (*a*) Is it a fact that the War Pension Act was passed by the British Parliament in 1919 establishing pension-appeal tribunals to which appeal against decisions of the Ministry of Pensions lie?

(*b*) If so, are the Government of India prepared to introduce legislation of a similar nature in order to redress grievances of thousands of persons who consider themselves aggrieved by the disallowance of pensions which according to them they should have earned by their service in the Great War?

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

(*b*) Adequate facilities exist in India for the presentation and the consideraton of pension appeals.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

151. **Sardar Sant Singh:** (*a*) Is it a fact that a number of Indian military personnels invalided from war operations and declared as unfit for further military service by medical boards held at the time of their disablement, and who for the mere fact of their having been rendered so unfit were entitled to injury pensions under paragraphs 1053, 1057, and 1065 of A. R. I. Volume I (1915 edition), were not granted any pension at all?

(*b*) Is it also a fact that the individuals mentioned above were further examined by fresh medical boards, who though they held their disability as being attributable to military service, assessed it below 20 per cent. and thus rendered them ineligible for disability pensions under the new rules promulgated, *vide* A. I. I. 1056 of 1922?

Mr. G. M. Young: (*a*) and (*b*). The Government of India are not aware of any such cases: but if the Honourable Member can give me particulars of any, I will inquire into it.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

152. **Sardar Sant Singh:** (*a*) Is it a fact that in cases of deaths and disabilities sustained by Indian ranks, during the Great War and the Waziristan operations, where the records with regard to the cause of such deaths and disability is missing in military offices, grants of family and disability pensions have been refused, and the advantage of doubts availed of by Government, instead of allowing the same to the beneficiaries?

(*b*) If so, will Government please state if they are prepared to re-investigate such cases, if brought to their notice, and allow the advantage of doubts to the beneficiaries?

Mr. G. M. Young: (*a*) and (*b*). Cases are considered on their merits. The benefit of the doubt is generally given to an individual who produces some credible evidence in substantiation of his claim.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

153. **Khan Bahadur Haji Wajihuddin:** (1) Will Government be pleased to state if it is a fact that:

(*a*) certain members of the Indian Medical Department who served in Waziristan in 1926, as Jemadars resigned after long services of no less than 19 years because:

(i) they could not discharge their duties in Waziristan on account of ill-health and bad climate of the country;

(ii) they had contracted disability (colitis) by serving in the Great War;

(iii) applications submitted by them for long leave due to them were not forwarded, for unknown reasons, to higher authority for sanction as required by Army Regulations;

(iv) their applications requesting to be examined by medical boards were not given any consideration;

(v) their subsequent applications for withdrawal of their resignations recommended by the Officer Commanding for the purpose of bringing them before a medical board were rejected by the Northern Command (for precedents see notifications published in Gazette of India, Nos. 1752, 932, 311, 1087, 1665 of 1921, 562 of 1922, and 931, 1451 of 1924, showing withdrawal of similar resignations tendered by members of the Department having subsequently been sanctioned by Government);

(*b*) a civil and again a military board examined them subsequently at Peshawar and found them really suffering from the disease and recommended the grant of service and disability pensions earned by them; and

(*c*) they were deprived of the actual amount of service, and disability pensions due to them under the Army Regulations?

(2) If the replies to the above questions be in the affirmative, will Government be pleased to state under what Army Regulations:

(*a*) their applications for long leave due to them were not forwarded for sanction to higher authorities,

(*b*) they were not examined by medical board in Waziristan, and

(*c*) their applications for withdrawal of resignation recommended by the Officer Commanding were rejected by the Northern Command instead of submission for sanction to higher authorities?

(3) Are Government aware that the treatment meted out to the old servants of Government in that Department has created a good deal of disappointment and dissatisfaction?

(4) Do Government propose to inquire into the cases?

Mr. G. M. Young: The following information was communicated to the Honourable Member in a letter No. 42-Y., dated the 11th April, 1931. A copy of the letter was placed in the Library:

(1) (*a*) Jemadar Ahmad Baksh's case is the only one on record.

(i) He did not show any signs of ill-health while in Waziristan.

(ii) Yes.

(iii) An application for long leave was received in the District Headquarters, but not until after his resignation had been accepted.

(iv) It was not considered necessary to convene a medical board to examine this officer, as he showed no signs of any disease while serving in Waziristan.

(v) Yes, because it was not recommended by the Assistant Director, Medical Services, Waziristan District.

(*b*) He was examined by a medical board at Peshawar in March, 1927, and found to be suffering from chronic colitis. The Board therefore recommended the grant of a disability pension.

(*c*) No. His case was reconsidered in August, 1929, and his pension was increased to Rs. 34 per mensem.

(2) (*a*) His application was forwarded to the District Headquarters.

(*b*) As I have already stated, he was not examined by a medical board in Waziristan because he did not show any signs of ill-health while serving there.

(*c*) No. His application for withdrawal of his resignation was rejected by the proper authority, the Command Headquarters.

(3) and (4). Government have carefully considered the case and find no grounds for interfering with the decision of the military authorities.

EXCLUSION OF THE RAILWAY BOARD'S ESTABLISHMENT IN THE REPORT OF MR. K. M. HASSAN.

154. Seth Haji Abdoola Haroon: (*a*) Is it a fact that Mr. K. M. Hassan, an officer on special duty under the Railway Board, was specially instructed to exclude the Railway Board's establishment from his report? If so, why?

(*b*) If the reply is in the negative, will Government be pleased to state the reasons for excluding from the report the Railway Board's office?

Sir Alan Parsons: (*a*) No.

(*b*) The Railway Board's office has not been excluded.

PERCENTAGE OF MUSLIM ASSISTANTS AND CLERKS IN THE RAILWAY BOARD'S OFFICE.

155. Seth Haji Abdoola Haroon: Will Government be pleased to state:

(*a*) the total number of permanent assistants,

(*b*) the total number of permanent Second Division clerks,

(*c*) the total number of permanent Third Division clerks,

(*d*) the total number of officiating assistants,

(*e*) the total number of officiating Second Division clerks, and

(*f*) the total number of officiating Third Division clerks

in the Railway Board's office (excluding staff of officers on special duty) and what is the number and percentage of Muslims and other communities in each of the categories mentioned above?

Sir Alan Parsons: A statement is laid on the table.

Statement showing the Number of Permanent and Officiating Assistants, Second Division and Third Division Clerks in the office of the Railway Board.

Communities.	Permanent.*						Officiating.†					
	Assistants.		II Division.		III Division.		Assistants.		II Division.		III Division.	
	No.	Percentage.	No.	Percentage.	No.	Percentage.	No.	Percentage.	No.	Percentage.	No.	Percentage.
Hindus	(*a*) 21	65·63	(*d*) 37	82·23	(*e*) 20	64·52	7	87·5	(*g*) 10	52·63	3	75·00
Muslims	2	6·25	4	8·89	(*f*) 8	25·80	1	12·5	(*h*) 7	36·84	1	25·00
Europeans and Anglo-Indians.	(*b*) 6	18·76	1	2·22	2	6·45	..	..	..	..	..	..
Sikhs	1	3·12	1	2·22	..	..	..	..	..	..	..	..
Indian Christians.	1	3·12	1	2·22	1	3·23	..	..	(*i*) 2	10·53	..	..
Others	(*c*) 1	3·12	1	2·22	..	..	..	..	..	..	..	..
Total	32	..	45	..	31	..	8	..	19	..	4	..

* Includes 8 permanent staff away on deputation whose posts have been held in abeyance as shown below:—

(*a*)	1
(*b*)	2
(*c*)	1
(*d*)	1
(*e*)	1
(*f*)	2

† Includes staff officiating in leave vacancies and 4 provisional men as shown below:—

(*g*)	1
(*h*)	2
(*i*)	1

Sir Alan Parsons: If the Honourable Member refers to establishment other than gazetted or inferior establishment, the figures are:

(*a*) 1.
(*b*) 7.
(*c*) 1.
(*d*) 6.
(*e*) Nil.

PAY OF THE CASHIER, RAILWAY BOARD.

162. Seth Haji Abdoola Haroon: (*a*) Will Government please state what is the substantive pay of Rai Bahadur Ishar Das Puri, Cashier, Railway Board?

(*b*) Does he receive any allowance, and personal pay? If so, what is the amount of the allowance and the personal pay separately?

(*c*) Do Cashiers in other Departments of the Government of India Secretariat receive any personal pay in addition to the cash allowance of Rs. 50?

(*d*) If he is receiving a personal pay what are the reasons for giving personal pay to the Cashier of the Railway Board?

(*e*) Is it a fact that personal pay granted to Railway employees has been withdrawn on account of the present financial stringency? If so, what are the reasons for not withdrawing the personal pay of the Cashier, Railway Board?

Sir Alan Parsons: (*a*) Rs. 350 per mensem.

(*b*) He receives, in addition, special pay of Rs. 50 per mensem when is attached to the post of Cashier and personal pay of Rs. 50.

(*c*) No.

(*d*) His long and meritorious service, and the fact that if he had not been retained in his present post in the interests of the work he would have been eligible for promotion to the 1st division in which he could have risen to a pay of Rs. 500 per mensem.

(*e*) The answer to the first part of the question is in the negative and the second part does not arise.

RAILWAY PASSES ALLOWED TO THE CASHIER, RAILWAY BOARD.

163. Seth Haji Abdoola Haroon: (*a*) Is it a fact that Rai Bahadur Ishar Das Puri, Cashier, Railway Board, is entitled to first class privilege passes?

(*b*) Is it a fact that Superintendents, Railway Board are entitled to 2nd class privilege passes?

(*c*) Is it a fact that Rai Bahadur Ishar Das Puri and Superintendents of the Railway Board are gazetted officers?

(*d*) If the answer to the above is in the affirmative, what is the reason for the discrimination in regard to the class of the privilege passes?

Sir Alan Parsons (*a*) Yes.

(*b*) Yes, except those in receipt of pay above Rs. 750 per mensem.

(*c*) Yes.

(*d*) Rai Bahadur Ishar Das Puri holds the honorary rank of Assistant Personnel Officer which entitles him to first class passes under the rules.

MUSLIM CLERKS IN OFFICES UNDER THE CONTROL OF THE FINANCIAL COMMISSIONER, RAILWAYS.

164. Seth Haji Abdoola Haroon: (*a*) Will Government be pleased to state the total number of clerks and sub-heads by communities transferred to the control of the Financial Commissioner, Railways, immediately on the separation of audit from accounts on State railways and their respective strength in January, 1932?

(*b*) What is the proportion of the Muslim element after a lapse of three years since the separation scheme was enforced?

Sir Alan Parsons: Government regret that they are not prepared to collect these figures, in view of the large amount of work entailed.

REPRESENTATION OF MUSLIMS IN THE SUBORDINATE RAILWAY ACCOUNTS SERVICE.

165. Seth Haji Abdoola Haroon: (*a*) Will Government be pleased to state:

(i) the total number of accountants, both in reserved and non-reserved posts, arranged by communities, transferred to the control of the Financial Commissioner, Railways on separation of audit from accounts on State railways, and

(ii) the number of persons by communities, directly appointed as accountants on State railways subsequent to separation, and the number of those granted exemption from the compulsory examination?

(*b*) Do Government consider the representation of Muslims in the subordinate Railway Accounts Service adequate?

(*c*) Is it a fact that instructions were issued to confirm members of minority communities even out of their turn to raise their representation to the desired level?

(*d*) If the answer to part (*c*) above is in the affirmative, what was the practical outcome of these orders?

(*e*) Are Government aware that despite the negligible proportion of Muslims in the subordinate Railway Accounts Service, qualified Muslims have been reverted in contravention of the instructions quoted in part (*d*) above?

Sir Alan Parsons: (*a*) (i). Audit was separated from Accounts at different dates on different railways. The position on the 1st April 1930, the date on which the separation of Audit from Accounts was completed, was as follows:

Hindus	135
Muslims	11
Anglo-Indians and Indian Christians	19
Sikhs	7
Other minority communities	2
Total	174

(ii) There have been 31 direct recruits of whom 16 were Hindus, 7 Muslims, 4 Anglo-Indians, 3 Sikhs and 1 Jain.

In addition to those exempted from passing the departmental examination under paragraphs 8 and 9 of Railway Memo. No. 5565-F., dated the 31st July, 1929, the following have been granted exemption:

2 Hindus 2 Muslims Total 4.

(*b*) It will be seen from the figures just given that Muslims are obtaining an increasing proportion of the posts in this service.

(*c*) and (*d*). The instructions to which the Honourable Member is referring were, I think, issued by the Auditor General and related to the permanent appointment in the Indian Audit and Accounts Department of persons previously in the temporary establishment, and they do not apply to promotions. As the Honourable Member will see from my answer to part (*a*) (ii) of this question, nearly 50 per cent. of the direct recruits taken as accountants into the Railway Accounts Department have been members of minority communities.

(*e*) No.

INSTRUCTIONS ISSUED BY THE RAILWAY BOARD *RE* CRITERIA TO BE OBSERVED IN DISCHARGE OF RAILWAY EMPLOYEES.

166. Seth Haji Abdoola Haroon: (*a*) Has the attention of the Government of India been drawn to the Railway Board's circular letter No. 683-E. G., dated the 3rd March, 1931, to Agents of State Railways laying down criteria to be observed in the discharge of employees during the reduction campaign?

(*b*) Is it a fact that the Finance Department of the Government of India has also issued a circular letter No. 78-XI, Ex.-1/31, dated the 3rd August, 1931, stating the principle in carrying out similar reduction?

(*c*) Will Government be pleased to state if there is a disparity between the instructions issued by the Government of India, Finance Department, and the Railway Board? If so, why?

(*d*) Do Government propose to take early action to eliminate the disparity?

Sir Alan Parsons: (*a*) Yes.

(*b*) Yes.

(*c*) There is some difference, due to the difference between a commercial department, and the ordinary civil departments of Government.

(*d*) No.

MOTION FOR ADJOURNMENT.

GRANT OF A SUBVENTION TO THE NORTH-WEST FRONTIER PROVINCE.

Mr. President: I have received a notice from Mr. B. Das that he proposes to ask for leave to make a motion for the adjournment of the business of the House to-day for the purpose of discussing a definite matter of urgent public importance as follows:

"The grant of a subvention to the North-West Frontier Province".

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, since I gave notice of this motion, it has been pointed out to me that in the procedure which Government have adopted, it is their intention that this House should discuss the subject of subventions under the grant to the North-West Frontier Province: so I am now satisfied that no cause of adjournment arises as we are to discuss the subject later on.

Mr. President: I take it that you do not wish to ask for leave?

Mr. B. Das: I do not wish to ask for leave, Sir.

STATEMENTS LAID ON THE TABLE.

STORES PURCHASED BY THE HIGH COMMISSIONER FOR INDIA.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): Sir, I lay on the table a statement furnished by the High Commissioner for India showing all cases in which the lowest tenders have not been accepted by him in purchasing stores for the Government of India during the half-year ending 31st December, 1931.

HIGH COMMISSION

INDIA STORE

ABSTRACT OF CASES in which tenders for stores demanded by the Central Gove goods demanded, were accepted on the grounds of superior quality, inspection, quicker

HALF-YEAR ENDING

PART B.*—*Cases in which the discrimination is*

Stores ordered.	Contract number.	Name of Contractor.	Amount of Contract.	Lowest Tender not accepted.	Reason for acceptance.
			£ s. d.	£ s. d.	
Compasses, prismatic No. 60.	M. 2261/4121/12-12-31 M. 2282/4121/12-12-31.	E. R. Watts & Son, Ltd. Francis Barker & Son, Ltd.	104 2 6 90 0 0		The indent stated that the compasses were required in India as early as possible before 29th February, 1932, The lowest tenderer offered delivery in May, 1932. To meet the delivery required by the indent the order was divided between the next two lowest tenderers.
			194 2 6 (British).	178 15 0 (British).	
Bodies for breakdown vehicles, No. 12.	M. 176/2433/19-10-31	Morris Commercial Cars, Ltd.	1,518 12 0 (British).	1,488 0 0 *Plus* cost of delivery of chassis. 16 16 0	The second lowest tender was accepted, having regard to the earlier delivery offered, and to the request of the indenting Department, that bodywork should be undertaken whenever possible by the builders of the chassis.
				1,504 16 0 (British).	

*Parts (A) and (C) are blank, as during the period no foreign tenders were set aside in favour of British tenders and there was no case of discrimination between foreign firms.

ER FOR INDIA.

DEPARTMENT.

rnment, other than the lowest complying with the technical description of the superior trustworthiness of the firm tendering, greater facility of delivery, etc.

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between British firms only.

EXPENDITURE INCURRED ON CERTAIN SOLDIERS RETURNING TO ENGLAND.

Mr. G. M. Young (Army Secretary): Sir, I lay on the table a statement giving the information promised in reply to parts (*b*) and (*c*) of starred question No. 83, asked by Mr. A. Das on the 3rd February, 1932, regarding expenditure incurred on six British soldiers who went from Allahabad to Rangoon and thence to the United Kingdom.

(*b*) For administrative reasons it was necessary for the men to return to their unit in Rangoon. From there they were sent to the United Kingdom by the most convenient and cheapest route, namely *via* Calcutta and Bombay. The soldiers did not have any rifles with them while under training at Allahabad.

(*c*) The cost of rail and steamer fares from Allahabad to Rangoon and from Rangoon to Calcutta amounted to Rs. 215. The journey from Calcutta to Bombay was by troop train and no extra cost was incurred on account of these six men.

There was no extra expenditure on account of salaries and no travelling allowance was granted to the men.

REPRESENTATION OF MUSLIMS IN THE INCOME-TAX DEPARTMENT, BIHAR AND ORISSA.

The Honourable Sir George Schuster (Finance Member): Sir, I lay on the table the information promised by the Honourable the Finance Member in reply to unstarred question No. 81 asked by Mr. M. Maswood Ahmed on 22nd February, 1932, regarding representation of Muslims in Income-tax Department, Bihar and Orissa.

(*a*) The number of Muslim Income-tax Officers employed in Bihar and Orissa in 1924 was 3, and the number of Muslim Income-tax Officers and Assistant Income-tax Officers now employed is 2 and not 1.

(*b*) Of the 3 Muslim Income-tax Officers in service in 1924, 1 was discharged at the end of 1925, for failure to pass the departmental examinations, and another retired on an invalid pension in 1927. Another Muslim officer was appointed in 1925, and is still in service. No appointments were made to fill the vacancies created by the discharge of one Income-tax Officer, and the retirement on invalid pension of the other officer, since the present strength of the staff of Income-tax Officers in Bihar and Orissa is in excess of the strength sanctioned in 1928.

(*c*) The cadre of Income-tax Officers and Assistant Income-tax Officers has been revised and no direct appointments to these services are now being made or have been made since the end of 1925. Vacancies when they occur will be filled by the promotion of selected Inspector-Accountants. Of 11 Inspector-Accountants appointed in 1928, 2 are Muslims, and of 9 temporary Inspector-Accountants sanctioned as a result of the increase in work due to the lowering of the taxable limit for a period of 15 months at end of 1931, 2 are Muslims.

(*d*) The claims of Muslims will not be lost sight of when vacancies occur.

(*e*) As already stated in reply to part (*b*) it is not likely that there will be any vacancies in the near future in the Income-tax Officer's grade and therefore no immediate action is possible.

PETITIONS RELATING TO THE HINDU MARRIAGES DISSOLUTION BILL AND THE HINDU UNTOUCHABLE CASTES (REMOVAL OF DISABILITIES) BILL.

Secretary of the Assembly: Sir, under Standing Order 78, I have to report that seventeen petitions as per statement laid on the table have been received relating to the Bill to remove certain doubts regarding the dissolution of marriages of persons professing the Hindu religion which was introduced in the Legislative Assembly on the 27th January, 1931, by

Sir Hari Singh Gour, and fifty-seven petitions as per statement laid on the table have been received relating to the Bill to remove disabilities affecting the untouchable castes of the Hindu community which was introduced in the Legislative Assembly on the 18th February, 1932, by Mr. R. K. Shanmukham Chetty.

STATEMENT.

Petitions relating to the Bill to remove certain doubts regarding the dissolution of marriages of persons professing the Hindu religion which was introduced in the Legislative Assembly on the 27th January, 1931.

Number of signatories.	District or Town.	Province.
16	Belgaum	Bombay.
9	Benares City	United Provinces.
7	Benares City	United Provinces.
7	Benares	United Provinces.
12	Akola	Bombay.
2	Calcutta	Bengal.
2	Murshidabad	Bengal.
7	Rajkot	Bombay.
10	Allahabad	United Provinces.
9	Allahabad	United Provinces.
12	Rajkot	Bombay.
6	Nathedewara	United Provinces.
6	Kurnuol	Madras.
14	Lakhimpur Kheri	United Provinces.
11	Badaun	United Provinces.
8	Badaun	United Provinces.
8	Nathedewara	United Provinces.
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STATEMENT.

Petitions relating to the Bill to remove disabilities affecting the untouchable castes of the Hindu community which was introduced in the Legislative Assembly on the 18th February, 1932.

Number of signatories.	District or Town.	Province.
2	Rambagh	Bombay.
2	Rambagh	Bombay.
1	Surat	Bombay.
1	Benares	United Provinces.
11	Nasik	Bombay.
5	Nasik	Bombay.
11	Monghyr	Behar and Orissa.
13	Muttra	United Provinces.
4	Muttra	United Provinces.
1	Sholapur	Bombay.
37	Satara	Bombay.
10	Sholapur	Bombay.
9	Thumbuchelly	Madras.
14	Kathiawar	Bombay.
5	Meerut	United Provinces.
12	Ahmedabad	Bombay.

Number of signatories.	District or Town.	Province.
13	Ahmedabad	Bombay.
10	Benares Cantonment	United Provinces.
10	Benares Cantonment	United Provinces.
3	Meerut Cantonment	United Provinces.
17	Kutal Kushai	....
1	Damadardham	....
12	Benares City	United Provinces.
1	Kathiawar	Bombay.
12	....	Bengal.
1	Buleshwar	Bombay.
2	Thakurdwar	Bombay.
11	Nasik	Bombay.
10	Nasik	Bombay.
8	Lakhimpur	United Provinces.
12	....	Bombay.
9	Pakur (District S. P.)	....
16	Dheogarh	Behar and Orissa.
17	Dheogarh	Behar and Orrisa.
17	Ara	Behar and Orissa.
9	....	Bombay.
5	....	Bombay.
79	Monghyr	Behar and Orissa.
3	Shahabad	Behar and Orissa.
2	Shahabad	Behar and Orissa.
5	Brindaban	United Provinces.
2	....	....
19	Belgaum	Bombay.
7	Benares City	United Provinces.
8	Benares	United Provinces.
9	Benares City	United Provinces.
13	Akola	Bombay.
7	Rajkot	Bombay.
9	Allahabad	United Provinces.
10	Allahabad	United Provinces.
11	Rajkot	Bombay.
10	Nathewara	United Provinces.
10	Nathewara	United Provinces.
5	Kurnuol	Madras.
17	Lakhimpur	United Provinces.
17	Badaun	United Provinces.
16	Badaun	United Provinces.
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THE GENERAL BUDGET—GENERAL DISCUSSION.

Mr. President: (The Honourable Sir Ibrahim Rahimtoola): Order, order. The House will now proceed to the general discussion of the Budget. I propose to impose a time limit of 20 minutes for each speech.

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): Sir, towards the close of his able and brilliant speech on Monday last, the Honourable Sir George Schuster struck a note of optimism. He tells us that we have in the past year ridden a storm of great intensity and that we have emerged from it stronger than before; we have overhauled our expenditure and that the next year will give us a safe margin

of revenue. But, Sir, when we go behind the consoling words of our able friend, we find a vast desert of poverty prevailing in this vast subcontinent of India, and the optimism promptly vanishes. For a feat of admirable accountancy and of good stewardship, our esteemed friend is certainly to be congratulated, but from the point of view of the man who is forced to pay additional taxation, the Budget is a tragedy. Admittedly the purchasing power of the people is at its lowest ebb; admittedly the prices of agricultural produce have gone down and still are very low. Admittedly the heavy taxes are a drag and a clog on the country's economic revival. For all this our Honourable friend is not to be blamed, for he has inherited a legacy of prodigal expenditure by his predecessors, I daresay the Biblical story of the prodigal son is oft repeated. He is making the best of the bad job. Mr. President, Sir George Schuster may point to the heavy taxation in other countries, but we should not forget that most of the Western Governments are rendering social services to the public. For instance, take the case of Great Britain. Great Britain is supporting over two millions of unemployed, besides a host of public welfare institutions. Now, Sir, what is the position in India? The various Retrenchment Committees have retrenched many Indians and some Europeans. In other words we have increased the unemployment. The General Purposes Committee and other Committees recommended adequate compensation to those persons who have been discharged, but the Government of India, while accepting our retrenchment proposals regarding the abolition of various offices and their incumbents, have not given adequate compensation to them. Again, Sir, we find that in the provinces and in the Central Government the beneficent departments are ruthlessly cut down. Does this state of things prevail in other countries of the world? I submit not. Therefore, I humbly submit that the state of things in this country is far worse than in other countries. The fact of the matter is that unless and until the reparations and the war debts are cancelled, there cannot be complete economical revival, and we have not yet fathomed the abysmal depth of the depression to which we might descend. Hence we must cut our coat according to our cloth.

Now, Sir, it was hoped that the Supplementary Finance Bill, which we had passed in November last, would reduce our deficit from 19 crores to 10·17 lakhs and that we would get a surplus of nearly 5·17 lakhs in the coming year. But what do we find? The deficit amounts to 13·66 lakhs and the anticipated surplus for the next year amounts to 2·15 lakhs. The conclusion is irresistible that the people of this country are being taxed beyond their capacity and that there has been a staggering fall in the purchasing power of the people. Imports show a decline of nearly one crore within the last 10 months as compared with the figures of the last year; exports show a fall of 1·30 lakhs; cotton textiles have fallen from 49 to 15 crores; there has been a conspicuous fall in silver and other commodities. Sugar has fallen from 15 crores to 4 crores. It may be argued with some show of reason that the fall in cotton piecegoods is due not only to the fall in the purchasing power of the people but also to the activities of the Congress, such as the boycott of foreign goods and so forth, but this cannot be said of sugar. Sugar is a necessity for the maintenance of one's constitution. This proves beyond any shadow of doubt that the poor people of this country have taken to other substitutes for sugar or that they have given up its consumption.

[Mian Muhammad Shah Nawaz.]

Silver used to be a very popular metal with poor people. It was a sort of investment, because large quantities of silver were consumed in the manufacture of cheap ornaments. Now instead of silver being in demand we find that it is being sold in large quantities. That shows that the poor people have gone down to conditions which are almost unbearable. It appears to me that we have reached by heavy duties the stage of diminishing returns. Again, Sir, our friend may find some consolation in the fact that the increased duties on kerosene oil and salt have substantially helped to realise the estimates which were put forward by him in November last, but it should be remembered that kerosene oil and salt, like air and water, are vital necessities of life and their consumption cannot be reduced. It should not be taken as a criterion to show that the poor people have not suffered. Sir, I am of opinion the Government of India should make up their minds to cut down their administrative expenditure and bring it into close relation with the tax-bearing capacity of the people.

There are, however, some redeeming features in the Budget. For instance, the import duties on machinery and raw cottons have served their purpose and the anticipated amounts therefrom are realized. Sir, I am in agreement with our able friend that the effect of half an anna per pound on raw cotton is distinctly beneficial to the interests of the agriculturists, and I do congratulate the Honourable Sir George Schuster on it. As regards luxuries, such as motor cars and others, the amounts of duties collected have gone down and prove the fact that even the rich people are unable to bear the additional burden. Sir, the Honourable the Finance Member was able to say that the military expenditure has been cut down to a figure amounting to Rs. 46 crores. He also told us that His Excellency the Commander-in-Chief has frankly said that the normal expenditure on the military cannot be less than Rs. 48 crores. Whatever may be the opinion of His Excellency the Commander-in-Chief, the House is satisfied that there is ample room for retrenchment in the military expenditure. Sir, having regard to the low prices of agricultural commodities now prevalent in this country, the military expenditure should have been brought down at least to the level recommended by the Inchcape Committee. I still think that the number of troops can be reduced. For instance, what is the use of a whole brigade at Razmak? I know that place very well, and although I approve of the forward policy, I am not satisfied that a whole brigade is really necessary at Razmak for the protection of the frontier. Again, I suggest that a committee consisting of experts should go into the administration of the Railway and the Post Office Departments in order to eliminate waste, because we are of opinion that a lot of waste still exists in these departments.

Sir, the Honourable the Finance Member has referred to the currency policy of the Government and the exportation of gold. I am not an expert in these subjects, but I believe that when we pegged the exchange to 1-6*d* we really made a mistake; we should have pegged it to 1-4*d*.; but having pegged it to 1-6*d*., it is not desirable that it should be dislocated and disturbed. And having regard to all the circumstances, I am constrained to approve of the currency policy of the Government. As regards exportation of gold, the reasons given by my Honourable friend seem to be on the whole sound, but I desire to ask one question. Why is it that France is hoarding gold and purchasing gold? The exchange of France is quite stable, and yet she possesses 100 millions worth of gold in the vaults of her banks. There is a lurking suspicion in the minds of Indians that the gold is being sent to England for the benefit of England and that there will be no gold left for India, and that Indians will not be able to re-purchase gold in the future time and there will be nothing else but paper currency. That is a question which my Honourable friend has got to answer and should answer in order to remove suspicion from the minds of the people. As I said, I am not an expert in this subject, and having regard to all the arguments put forward by my Honourable friend, I think he is probably right that the exportation of gold will not be disadvantageous to India at the present juncture. What we need most at the present time of depression, and what the public weal requires, is that all elements should be welded together to bring about prosperity, which is not easy to build up. I am distinctly of opinion that the Congress is not right in threatening the civil disobedience campaign. Sir, we should rally round the Round Table Conference and other Committees. I do not know whether the Committees are doing much; I believe they are not doing much, but every effort should be made to bring about a lasting settlement between Great Britain and India for the benefit of the two nations. (Applause.)

Sir Hugh Cocke (Bombay: European): I have had the privilege of listening to nine Budget speeches in this House, five under the regime of Sir Basil Blackett, and four under the regime of the present Finance Member, and I think I have probably heard my last Budget speech in this House. But it is interesting to look back over these nine years; and it is incidentally interesting to find that those nine years' figures are given in the Memorandum—9 or 10 years—and to review the period of the previous five years of Sir Basil Blackett, how gradually the provincial contributions became eliminated—not abruptly but gradually that was effected,—and how at that time every one thought that the next five years of the current Finance Member, bearing in mind the fact that we were getting farther away from the climax of the war and from the anti-climax of the peace—how we anticipated that in the next five years our revenues would go ahead and possibly taxation would be reduced and so on, and to contrast with that expectation, which I think was a general expectation, what has actually happened. It is rather a dismal picture, and a good deal of sympathy I think may be extended to our present Finance Member for having struck a period such as he has struck.

This is not an occasion, particularly this year when the Budget is devoid of taxation proposals, to offer anything very constructive I think in the way of suggestions, and I certainly have not been able to think of anything very material which can help the position in the future. It is more an occasion for a general review of the past year, the present position, and the immediate future. One point in that general review which I should like just to touch upon is contained in paragraphs 43 and 44 of the Budget speech, where it is pointed out that the problem of federal finance, which is being considered by a committee at the present time, is one which must be very carefully tackled so as to leave the centre with expanding forms of revenue. As we know, there have been suggestions that the greater part of the income-tax should go to the provinces, and if that is feasible, I

[Sir Hugh Cocke.]

think that is a suggestion to which no province will object. But it is important in view of the trend of the customs revenue,—the falling trend of the customs revenue—it is important in any future scheme that the Central Government should not be starved of adequate finances.

It is interesting to look to the future,—I am not talking now of the immediate future, but some time into the future—and to consider what the problems of Finance Members will be, particularly having regard to the possibility of further fallings off in customs revenue. The Honourable the Finance Member indicated in his speech that certain items, luxury items perhaps, such as liquors, sugar to some extent, imported piecegoods, and similar items, were not going to help our revenue in the future as in the past. That I think everybody appreciates. To some extent this is due to the protective policy. There are various other reasons, and of course the surcharge put on last year has undoubtedly not brought in the increased revenue which was anticipated on these particular items. Now, that being so, the Finance Member indicated that it might be the case in the future, if further taxation is necessary, that a few annas per head on the masses might have to be considered. That is a problem which possibly Indian Finance Members of the future will have to consider, and it is important, for unless it is possible for the Governments of the future to continue the policy of retrenchment and the cutting down of expenditure, unless they are able to do that, if the country is to develop and if the social services, which my friend referred to just now, are to be increased, and the lot of the poor man to be helped, it is important to consider, and it will be important in the future to consider, whether the basis of taxation on the masses will not have to be increased to a small extent. One knows of course that there are large numbers in this country who have not the means to be assessed to taxation to any extent at all, but the figure of an anna per head per month, or something of that sort, is a tempting one and it is possible that in the future the Finance Members will be tempted to pursue that method of broadening the whole basis of our taxation without seriously, I think, and possibly the whole country may think then, without crippling the lot of the average man.

The particular difficulties of the present time were well illustrated, I think, by the Finance Member when he compared the average revenue of the five years, 1923—28, with the present position. One does not want to go into figures to any great extent, but it was rather alarming to note that the commercial departments have dropped from nearly seven crores—I am talking now of the average figure for those five years—to nothing, and possibly to a small loss. The finance heads dropped from something over 6¼ crores to something under 4¼. Opium dropped from 2½ crores to 60 lakhs. Provincial contributions, which in the early days of those five years, brought in 9 crores, have gone by the board. The amount required for the reduction and avoidance of debt had increased by 2½ crores. The further provision necessary for the bonus and interest on Postal Certificates has necessitated a further Budget allotment of 2 crores. All these figures together came to the collosal amount of 24¼ crores, a figure which has got to be faced to-day and made good in other directions. 11¼ crores are being met out of retrenchment, and therefore the balance of 13 crores has to be made good from other sources of taxation. It is interesting to consider,

when we are discussing the question of future taxation, that the income from such heads as kerosene oil, salt, betelnuts has not suffered. On the other hand it is better than was expected. It is interesting to contrast that with the extraordinary continued development of investment by the people. It was pointed out in the Budget speech that the Treasury Bonds loan last year produced 6½ crores through the Post Office, most of which presumably comes (that figure includes conversions) from people of moderately small means, and whereas 4 crores was expected last year from Cash Certificates and savings banks, actually it is expected that 7 crores will be reached this year, rather over 7 crores, and also 7 crores next year. Then if one goes back, one is struck by the fact that the savings bank balances and the Cash Certificates together in 1923 came to 26¼ crores, and in 1932 they come to 82½ crores. The amount has practically trebled in 9 years. It is an interesting problem to consider why that great increase has taken place in view of the fact that we are told that the lot of the ryot and the agriculturist has not improved. At any rate, even if it has improved over the series of years, it has now gone back and the ryot to-day is in a very unfortunate position, a proposition which I do not dispute for a moment, although possibly it may not be so in some parts of the country. I suppose this great development of saving is due to the educational policy of the last 30 years and that most of it comes from people who are in receipt of incomes of Rs. 50 and upwards, but there is no doubt that there has been a very great development of thrift. There is no doubt that the figures have reached such large proportions that it has been very helpful to the Finance Member in financing the country. If we are going to see this continued in the future, it is very hopeful that the borrowings will come more and more from the masses rather than from the classes and the banks. It is satisfactory to note that 7½ crores of the Treasury Bills were prepaid this year without borrowing and that if the time is propitious for a loan later in the year, which will in any case be required to the extent of 14½ crores to repay the 6 per cent. loan of 1932, if the times are good, that amount will be increased and a further amount of Treasury Bills will be paid off. The amount gathered in by the Government on Treasury Bills has reached a very high figure and it would be a good thing if that figure could be reduced and some of the short term loan funded. On the vexed question of the export of gold, I think it will be generally accepted,—I do not know whether all Members of this House will accept it, but I notice that in the Council of State yesterday there were only two Members who were averse to gold being exported,—it must be accepted now that the export of gold is a good tendency and if it goes on for some time to come, it will also be a good thing. What the amount of gold is which is lying dormant to-day we do not know, but at any rate we are told that 700 crores has been imported in the last 30 years, and that to date something over 50 crores has been exported. What happens to that 50 crores? If the greater part of that 50 crores goes to be spent on luxuries, then I think the export would be admitted not to be good, but it must be assumed that a very large part of that 50 crores finds its way to interest-bearing securities. If that is so, the man who takes his 500 rupees worth of gold to the bank and invests Rs. 400 of that in the Savings Bank is doing good to the country and therefore that is a process which we all ought to like to see continued. It augurs well for the success of Government borrowing in the future and it augurs very well for the future starting of the Reserve Bank. It is possible that some further part of the gold may be tempted out for the purpose of earning interest from the Reserve Banks.

[Sir Hugh Cocke.]

The Finance Member completed his Budget speech with a general review of the conditions. He said that on a broad review of the position we may feel satisfied with the position. He pointed out that next year, putting aside the question of the reduction or avoidance of debt, taking the two years together, there will be a surplus. He also pointed out that next year he anticipated a substantial surplus. I do not know whether the anticipation will prove unduly optimistic, but it may prove so. It is suggested that the income-tax Budget expectations may not be justified. That is obviously a very difficult thing to predict, because a lot depends on the extent to which the collection of the 12½ per cent. surcharge will not be effected this year but will be thrown into next year. But hoping as we do that the Budget figures will be obtained and that still better results may be possible, the Finance Member goes on to state that sections of the Indian public are not helping, because they are full of pessimism. That is one of the things which all Members of this House should I think try to counteract. The times are difficult enough, and it is very essential that the financial position of this country should be improved; and if sections of the Indian public do adopt a course of action which is contrary to that fulfilment, then obviously it is not going to be helpful, and the more the Members of this House in their constituencies can persuade the people to marshal their forces of economy, hard work, peace and so on, the more is that going to react very much to the country's benefit.

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Reparations and war debts is another big problem which we hope will be solved in the current year, and that is a matter which is going to have world-wide reactions and to help everybody in every country very much. The situation, as the Finance Member says, will require very careful watching. It may be that despite the upward trend which is rather indicated at the present time, his Budget expectations may not be fulfilled, but one cannot help feeling, taking all the indications as they are, that there is a general feeling, which has some evidence behind it, that we have reached rock bottom and that the future tendency should be upwards. If that is so, we shall have nothing to fear. In any case the financial position of this country, owing to the policy pursued as long back as we can remember, is absolutely sound, *viz.*, that Budgets have got to be balanced, and with one or two exceptions, that has been achieved. Looking at the figures on the first page of the Memorandum, one sees two terrible years to start this table—when we had adverse balances of 23 crores and 10½ crores. It is interesting to note, before allowing for any reduction or avoidance of debt or for transfers to or from the Revenue Reserve, that is taking the figures in column 3, and ignoring the Budget year, figures are given for 11 years, and there are two heavy deficits in the first two years and the two deficits in the last two years, including the present year, 1931-32, and the sum of these deficits comes to exactly one crore more than the seven surplus years in between; exactly one crore. In other words, taking the result of those 11 years, our expenditure has exceeded our revenues by one crore, without any reduction of debt. That comparison is rather hard on the present years in that it takes in two very very bad years at the start. If there is one suggestion I would make in connection with this very admirable set-out of the figures, it would be that the actual results of the revenue and expenditure as shown on page 1 might be given for a much longer period. It would be interesting to look back and see what our Budget deficits and Budget surpluses have been over a much longer period.

Sir, I have finished the very disjointed remarks I have to make. I trust that the anticipations of those who think things will improve this year will be justified and that everyone in this House will do all he can in his constituency and throughout the country to help in the improvement of financial conditions which react very much on the masses.

Dr. R. D. Dalal (Nominated Non-Official): Mr. President, in the first place let me assure you that I shall strictly follow your injunction—I mean the time-limit of 20 minutes, and I shall be as brief as possible. In these days of deficit Budgets it behoves us to cast about for ways to effect economies and to reduce expenditure as much as possible. With that view I desire to make a suggestion, which is fraught with enormous potentialities of benefit and substantial savings to the Provinces. This Honourable House must be aware that the Haffkine Institute at Bombay supplies anti-plague vaccine to the whole of India, and that the Central Institute at Kasauli supplies anti-cholera vaccine to the whole of India. Similarly on grounds of economy and on grounds of uniformity it is highly desirable to have an all-India Institute for supplying vaccine lymph for vaccination against small-pox. This is a medical subject, and I know that the House is not much interested in medical matters; but I shall be as brief as I can and shall refer to only a few salient points, and I hope the House will bear with me.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): We are hearing you very patiently.

Mr. President: Order, order.

Dr. R. D. Dalal: May I be allowed to point out that the Belgaum Vaccine Institute is a Model Vaccine Institute in the whole of India. With a little capital expenditure and with a little increase of the present staff this Institute can supply vaccine lymph to the whole of India. At present this institute supplies vaccine lymph to all Vaccinators in the Bombay Presidency, some Indian States, and all military medical officers in the whole of India. It also supplies vaccine lymph to Aden, Goa, Zanzibar, Beherin, Bushire, and Bundur Abbas. The results obtained with the Belgaum vaccine lymph are the highest as compared with those of other Vaccine Institutes in India. The Belgaum Vaccine Institute manufactures vaccine lymph only. With a view to obviate any risk of contamination Government have disapproved a combination of the Vaccine Institute with Bacteriological Laboratories. Now I shall mention one more point, and it is that the Belgaum Vaccine Institute answers all the requirements of a Vaccine Institute, namely, that the climate should be cool and healthy so that vaccination of animals may be carried on all the year round, the water supply should be pure and abundant, there should be no difficulty in getting animals for vaccination, an extensive grazing area should be available, and the site should be far removed from the crowded human habitations of a town, in which the soil is fouled by human and animal excreta. I earnestly commend this suggestion to the consideration of the Government of India, and I emphatically urge that the Government of India may convene a Conference of Provincial Ministers to examine this question in all its bearings.

Sir, in view of the present grave financial situation I think it is desirable to revive the stamp duty on cheques. This duty was abolished in

[Dr. R. D. Dalal.]

order to develop banking in the country and to encourage the rural population to make interest-bearing deposits of their savings in the Banks instead of investing them by purchase of precious metals; and it was considered that the abolition of the stamp duty on cheques would hold out some prospect of a ready and wide adoption in Bazars of cheques instead of cash as a means of payment. About 5 years have elapsed since the abolition of the stamp duty; so it would be interesting to find out if the rural masses have actually availed themselves of the banking facilities. I hope the Honourable the Finance Member will kindly examine this question of the revival of the stamp duty on cheques, and also on bills of exchange payable on demand. I am conscious that it will not help Central Revenues much; but it will afford some relief to the Provinces, especially the Bombay Presidency where the bulk of the stamp duty was collected.

In his admirable Budget speech, the Honourable the Finance Member referred to the efforts made in certain quarters to propagate mistrust; and he added that Bombay with her strange passion for self-inflicted wounds may find herself wounded beyond recovery; and in the concluding portion of his speech he appealed to the Indian public for co-operation. Taking that as my text, Mr. President, with your permission I now turn to a subject, which is uppermost in the mind of every Honourable Member—I mean the political war between the Congress Party and the Government. I have made a close study of the events during the last two years, and I must say that the consistent policy of Government has been to secure co-operation. What are the proofs? The Round Table Conference, the Delhi Settlement and the Simla discussions and as a result the presence of Mr. Gandhi in London (I may state in passing that I have great regard and respect for Mr. Gandhi with whom I had an interesting conversation at Amboli in my Division), the Franchise Committee, the Finance Committee, the Indian States Committee, and the Consultative Committee of the Round Table Conference are the methods employed. But, Sir, it has been impossible for Government to co-operate with a body whose whole policy is to terrorize its officials, to hamstring its finances, to increase the difficulties of the administration, to paralyse the whole machinery of Government, and to proceed steadily with preparations to oust the established Government by revolutionary methods. In these circumstances can any Government worth the name look on unmoved? In the circumstances I have mentioned are not the Government entitled to promulgate Ordinances to ensure the maintenance of law and order?

An Honourable Member: Not the law but the order.

Dr. R. D. Dalal: Sir, it is universally recognized that the executive must have full powers to meet emergencies; so Ordinances are nothing more than drastic remedies for a drastic disease. The recent dastardly outrages in Comilla and Calcutta by women students mark a new and terrible departure in the history of political crime in India. It is very sad and it is a matter of deep regret that the Congress have adopted as part of their policy the use of women, and have laid great stress on bringing women of respectable families into the firing line. About the middle of January I saw a Congress bulletin, and so far as I remember it was to this effect—"The Desh Sevikas are doing their duty. Women students are coming

out to lead revolutionary movement in Bengal. Will not our sisters in Bombay Colleges and Schools give the lead? It is their duty to see that no College—no School is allowed to work when British tramps land in Bombay". Sir, the object of the Congress is to create ill-feeling against Government because of the action Government would be constrained to take against women. On grounds of humanity and on grounds of policy Government officers would be expected to exercise great restraint and patience in dealing with women. But there is no reason why women should be immune from the consequences of their actions. Women also must be dealt with under the law. Mr. President, however much the Congress may harass and embarrass Government, I say this from what I know of the English character that no Englishman worth his salt will ever get out of his responsibility to the Indian people; and there can be no doubt that the prestige of the British Government stands higher to-day: not merely in India but in the world at large, for having exhausted every means of eliciting the whole gamut of Indian opinion, and for pursuing steadily thereafter the chosen course of constitutional progress in spite of every attempt to turn it into chaos; what is more, no honest doubt of the British policy can persist in the face of national determinations, especially so when we remember that at the present juncture we have at the head of the administration a statesman of the type of His Excellency Lord Willingdon, who is a Viceroy of ripe experience, sound judgment, and a strong sense of duty—a Viceroy who wins golden opinions wherever he goes.

Now, Mr. President, let us consider for a moment what obtains in the social scale in India at the present time. At the top of the social scale there are Indians as highly educated as their equals in Great Britain and other parts of Europe; at the bottom of the scale there are poor destitute rural masses, who do not care a bit for politics and who do not understand what political representation means; and in between these there are dozens of other degrees of education. Then there are different races, castes, and creeds. There are Hindus, Jains, Mussalmans, Sikhs, Parsees, Jews, Anglo-Indians, Indian Christians, Depressed Classes and so on. I submit what is suitable for one is utterly unsuitable for the other. I do not for a moment suggest that the new constitution should be delayed in any way. I fain hope that the new constitution will be placed on the Statute Book without a moment's unnecessary delay. But I respectfully ask: can India in the circumstances I have mentioned rise to constitutional freedom by a stroke of the pen? The maintenance of law and order is the first condition precedent to any constitutional progress in India. The Congress Leaders aspire themselves to be the rulers of India in the future. I have nothing but admiration for these aspirations, which are the natural outcome of human instinct to manage one's own affairs, as Lord Irwin says. But would it not be to their interest that the transfer of command shall be a transfer of power and not of weakness? If the agitators have the real welfare of India at heart, it is high time that they quieted down. It is urgently, imperatively, and vitally important that peace and order should reign everywhere, and that the Congress Leaders should shake off the war mentality, and should ask to be invited to serve on the different Committees of the Round Table Conference now at work, and should make use of their great talents in contributing to the building of the new constitution such as would be suitable for all classes of the people of India.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, when I heard my Honourable friend Dr. Dalal airing his views about the attitude of the Congress, I did not know whether he was speaking for his constituency, the Treasury Benches, or for himself. I would not like to reply to Dr. Dalal, because any observation that comes from the supporters of the Treasury Benches needs no reply from this side of the House or from any one in the country, but I want to make clear one aspect of the question. It is that the Congress did not first break peace with the Government. It was the Government which first arrested Mahatma Gandhi and sent him to jail, and thereby all negotiations for peaceful settlement fell through. Here I have got a newspaper cutting which says that a certain meeting took place in London protesting against the arrest of Mahatma Gandhi and other repressive methods of the Government of India, and it was presided over by that great humanitarian and philosopher, the Honourable Bertrand Russell (now Earl Russell), where a Resolution was passed and that was the only Resolution passed, which runs thus:

"That this meeting protests against the coercive policy of the Government of India and urges the withdrawal of the Ordinances and the release of political prisoners and demands the immediate re-opening of negotiations with the Congress."

What does that mean? Does that mean that the Congress was at fault? Well, to speak in the voice of gramophones at times suits, but it does not always suit. This Resolution was moved by Professor Laski—I hope the Honourable the Finance Member knows this gentleman well and knows also Bertrand Russell. I find Mr. George Lansbury, the Leader of the Opposition, participated in that debate and serious charges were made against the Prime Minister and the Lord Chancellor, but no reply came. Let me quote again:

"Professor Laski also had a very pointed word to say to his friend the Lord Chancellor. He hoped that the noble Lord would take an early opportunity of explaining to the public in general and the Labour Party in particular 'What precisely he thinks he is doing on behalf of India in the British Government at the present time'. The speaker recalled some of the things Lord Sankey had said about India and the intensity of his desire to serve her interests. In these circumstances, said the Professor, there is surely some explanation which the Lord Chancellor owes to us and to his own conscience. And what could the Government possibly hope to achieve by this policy of coercion? Does it believe that it can crush the national spirit of India by lathi charges and rifle fire? Sooner or later the Government would have to discuss these matters with Mr. Gandhi and his colleagues. Why not today instead of tomorrow?"

Sir, I think that is the best reply to any attack that comes from the supporters of the Treasury Benches on a matter where they have no right to speak.

I now come to the Budget speech of the Honourable the Finance Member. It required a very long speech to narrate the events of financial distress and incidentally the low purchasing power of the masses and also the low ability of the capitalist class and other classes to pay taxes to Government. But the one curious thing that I found was that in moments of serious financial distress, the Honourable the Finance Member has adopted two orphans, one is the North-West Frontier Province and the other is Aden. My Honourable friend in adopting the first orphan from the North-West part of India has asked this House to give a subvention of one crore of rupees per annum and of that little orphan, Aden, he showed us a surplus of a little over 1½ lakhs to bring Aden under a Chief Commissionership. I cannot understand why the Bombay Presidency was deprived of that little

town on the Arabian Sea. My Honourable friend thinks that he can derive that surplus of 1½ lakhs of rupees from the extra sale of dates in Aden, but I know that after a year or two, the Central Government will ask the House to foot the bill to the extent of the 10 lakhs or 15 lakhs by the creation of this Chief Commissioner's Province. I am surprised that big constitutional questions like the creation of a separate province and its administration and the policy of giving a subvention to a province like the North-West Frontier Province are brought out by the back-door in the speech of the Honourable the Finance Member. Sir, the Simon Commission went into that aspect of the question whether under the Government of India Act and under the Devolution Rules any grant can be given to any province, and the Simon Commission came to the definite conclusion that at present there is no such provision. What did they recommend? In para. 187, page 155 of the Simon Report, Vol. II, it is stated:

"The view is authoritatively held in India,"

I hope the authority means the Treasury Benches:

"on the construction of the present Devolution Rules, that it is not permissible to incur expenditure from central revenues on provincial subjects or to make assignments from central to provincial revenues for expenditure on a provincial subject, except in so far as such expenditure represents payment for services rendered by the provincial Government . . . . But we are strongly of opinion that so rigid a division between expenditure on central and provincial subjects should be modified. We recommend that it should be rendered constitutionally possible under suitable restrictions to assist provincial objects from central funds and *vice versa*."

Sir, subsequently the Haig Committee which was known as the North-West Frontier Province Subject Committee, again alluded to that subject, and they recommended in paragraph 50 of the Report as follows:

"It is an essential part of the whole scheme that the subvention should not be voted annually by the Federal legislature. We think that the most convenient course would be that the amount of subvention should be made by rule under the Government of India Act a statutory charge on the Central Revenues."

Sir, the Honourable Members on the Treasury Benches are constitutionalists and we heard from their supporter, my Honourable friend Dr. Dalal, that he wanted us to be constitutionalists. Why do Government break the law at every stage? If the Devolution Rules are to be amended, or the Government of India Act is to be amended, why did the Government of India not approach this House to discuss that very subject? Now, the whole question comes through the back-door of the Honourable the Finance Member's speech for discussion. Every new province would require a subvention. Certain old provinces require subventions too. As there will be a specific cut on this motion and as the House will be afforded an opportunity to discuss this question, I reserve my further remarks on this subject to a later time.

I will now come to the financial aspect of the Honourable the Finance Member's speech. Sir, I have every sympathy with the Honourable the Finance Member when he says that the rich man is evading taxation, and he asks this side how the rich man can be made to pay an equitable share of taxes. I think the Taxation Inquiry Committee did not go properly into that aspect of the question. Let it be a committee of this House or an outside committee, and let that committee sit and find out if the incidence of taxation is properly distributed and whether it is not a

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fact that the poor man and the consumer is today paying more than the rich man on the earning basis. Then I entirely agree with my Honourable friend that the protective tariff has lowered the Customs revenue and certain other items of revenues that come from the richer classes. How is the State going to be administered and how are we going to tax the richer classes or the investing classes so that they may contribute their due quota to the Central finances? I would suggest that Government should legislate that after a certain minimum percentage of dividend, every industry receiving protection should contribute to the Central Exchequer money to the extent of the amount of protection that that particular industry receives on the production basis. Otherwise it will be always the poor man who will pay. My Honourable friend gloated over the fact that he has got more money through his taxes on betelnuts and on kerosene and he also said that they come from the poor man. I know the poor man pays till the last; he takes his one meal a day or sometimes half a meal and yet he is so loyal and honest that he pays his taxes and dues to the Government, whether provincial or Central. He does not keep three income-tax books, one for the income-tax official, one for the law courts and one for his own use. Sir, equity and justice demands,—and I hope my Honourable friends will support me in this,—that the incidence of taxation should be distributed fairly and properly. My Honourable friend also invited us to suggest other systems of taxation. From that I conjecture that he does not think his Budget will balance as he anticipates but that it will be a deficit Budget, and next year he will come forward with proposals for fresh taxation, and therefore he invites our advice on the matter. I did advise last session when the Supplementary Finance Bill came up that the duties on kerosene oil should be equalised because it is no use paying to certain capitalists a bonus of a crore and a half. I also suggested that there should be an export duty on tea and larger export duties also on hides and skins; and I think the Finance Member will have to consider those suggestions before he thinks of raising the duty on kerosene once again so that the poor man will pay a little more and the rich man go scot free.

Sir, I will now come to another aspect of the Budget, namely, the public debts. The other day we had a discussion in the House about public debts, and my Honourable friend the Finance Member in his Budget speech has informed the House that certain provinces have taken large debts and has asked us whether we had any advice to offer on this matter of the borrowings of provinces. Sir, under the new constitutional reforms the provinces will get a much larger control in their households and one point that I would like to insist upon is that whatever past loans they have incurred before their autonomy, should be the first charge on the provincial revenues. Rules should be so devised that on these loans, which insolvent provinces like the Punjab or Bombay have already incurred, they must pay their interest, as first obligatory charge to the Central Government. Thereafter they can carry on their Government, and if their financial credit entitles them to borrow money from the public, they can borrow on their own account. But that is another issue. If the Provincial Governments, who have borrowed large sums of money in the past and which they pay to the Government of India on an 80 or 100 years' basis of distribution, and which the Government of India have already paid up or do pay out on a 15 or 20 years' loan basis, are allowed freedom of borrowing money on their own account, and if they do not desire to pay their interest charges to the Central Government, what authority would be exercised by the Central Government to realise such loans from the Provincial Governments is a matter that must receive careful consideration. Another thing which was referred to by the Finance Member the other day is the question of overdrafts which the Provincial Governments draw at present. I think future transactions should be on a strictly commercial basis. This will apply also to commercial departments like the Postal Department and the Railway Department. In monthly overdrafts—as when we draw from banks,—the Provincial Governments will have to pay a certain interest to the Central Government, and if the Central Government have an over-balance from the Provincial Governments let them pay a certain interest on such monthly balances to the provinces. But I think at present the provinces are taking too much advantage of the Central funds.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Do the Government of India lend money to the provinces interest-free?

Mr. B. Das: At present certain Governments are drawing two crores to three crores overdrafts every month, and part of it they are utilising to pay interest charges to the Government, but they do not pay any interest on these overdrafts.

Sir Cowasji Jehangir: Examine your accounts.

Mr. B. Das: The other day my friend was not present when we discussed the subject on the Public Accounts Committee's Report. I would suggest to my Honourable friend to read the Report of the Public Accounts Committee, in which he will find that we have discussed this subject for the last two years. Of course, I have not the experiences of a Finance Member of any Government as my Honourable friend has had, but I know that as a fact from the papers placed before us.

Sir, my Honourable friend, Sir Hugh Cocke, suggested that the excise duty on matches should come to the centre. I was surprised . . . . .

Sir Hugh Cocke: No, Sir. I said nothing about matches in my speech.

Mr. B. Das: Very well, Sir. I drop the subject. But my Honourable friend said that income-tax or part of it should go to the provinces as recommended by the Federal Structure Committee and also in Sir Walter Layton's scheme. But I know that in a certain corner of this building a committee known as the Federal Finance Committee is or was sitting. We never knew of its existence, and the other day in reply to an interpellation of mine, the Leader of the House said that there is an Indian expert on that committee. If my Honourable friend the Finance Member advised the Leader of the House that Mr. Sundaram happens to be an Indian expert, then I say that he is an expert of the Finance Department. He does not represent non-official India or the provinces. There were two other members Sir Akbar Hydari and Colonel Haskar, who represented the interests of the Indian States, and British India went unrepresented. Why was that so? Because the cry of the provinces today is to get an equitable adjustment of the revenues of India so that the provinces can develop themselves. My Honourable friend cannot afford to spare any money for the provinces, and he could not allow non-official representation on that committee. So he allowed two gentlemen from the Indian States who have no interest in British India and do not understand the financial problems that face British India. These two gentlemen and the Finance Department's expert and the so-called experts who came from 6,000 miles

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away deliberated together and I do not know if they have vanished from India. This is an insult to this House which this House will not forgive the Government. And yet they want our co-operation! Sir, my Honourable friend at the end of his speech gave the House a warning. He said that they are determined to carry on even if they do not receive co-operation from the Congress and from this side of the House. Am I not here to give my best co-operation to the Government in my humble way? Are we not here to give our co-operation? And, Sir, has our co-operation been accepted? In the Federal Finance Committee no provincial financier and no Central financier was allowed. Our cries went unheard and the provinces go begging from door to door and borrowing money for daily upkeep and they will always be starving.

That shows that even our co-operation has been refused. You say "We are determined to carry on". I say, "carry on; carry on with the Ordinance *raj;* carry on your financial system even by special Ordinances which my Honourable friend the Home Member will readily help you to draft".

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, I would like to congratulate my Honourable friend the Finance Member on the very illuminating survey he has made of the financial position of the country. He has put up what I regard as a very able defence, and I have no doubt that some at least of the Members on this side of the House will be willing to give him the benefit of the doubt. It is now the pleasant duty of the Opposition to tell the Finance Member what they think of his management of the finances of the country, and I hope my Honourable friend will listen with as much attention and sympathy as we have always accorded to his utterances on the financial situation. The point of view that I would like to commend to my Honourable friend is that of the President of a South American Republic who, not having been shot at for a whole fortnight, exclaimed with disgust "Gentlemen, this want of interest in public affairs is the curse of our country". That is the point of view which I would like my Honourable friend the Finance Member to adopt towards our criticisms of his Budget. It is an indication of the interest which this side of the House always evinces in a matter of vital importance to the country.

Now, when I survey the general picture which my Honourable friend has presented, what do I find? I find that in the course of the last eleven years up to date, the Government of India have played ducks and drakes with the finances of the country and have lived beyond their income to the tune of 56 crores of rupees. It is beside the point as to who is responsible for this state of affairs. I quite agree with my Honourable friend, Sir Hugh Cocke, in sympathising with the present Finance Member in the difficulties with which he has been confronted ever since he assumed charge of his portfolio. I do not criticise the present Finance Member. My criticism extends to the Government of India—who with unlimited powers of taxation and with unlimited control over expenditure have allowed the country to live beyond its income to the tune of 56 crores in eleven years. That being the position, it is not surprising that the country's finances are what we find them to be to-day.

Now, Sir, what has been the effort of the Government of India to meet that situation? And here with regret I am obliged to indulge in a criticism of my Honourable friend the present Finance Member. The depression started in 1929, and became very acute with the collapse in Wall Street which took place in October of that year. All the world over, business houses and commercial men immediately set themselves the task of adjusting their affairs to the new conditions which had arisen. What has the Government of India done? They came forward only a few months ago with proposals for retrenchment, and from 1929 till to-day the total effective cut they have made in the expenditure of the country amounts to just 90 lakhs of rupees. I cannot say, nor do I think anybody can say, that this is a state of affairs on which the Government of India are to be congratulated; the truth is that they have been caught napping. They allowed the situation to grow until they found they were face to face with a crisis of abnormal dimensions, and then they started devising heroic remedies to right the situation.

It is not possible in the course of twenty minutes to survey the whole of the Budget; I must rush through various items; and the first thing I would like to do is to take a little peep into the future. The one conclusion that is forced upon me is that the Government of India requires to be thoroughly overhauled. I am not saying this as a matter of criticism of anybody. The machinery of Government, in my opinion, is much too cumbrous, much too elaborate for the simple needs of the country, much too efficient, if I may say so, for the very primitive organisation of the resources of the country. The Government of India seem lost in endless despatch boxes and blue books. They compile elaborate statistics and what is a great deal worse they dump them on us. I get every year a number of books and tomes enough to fill a whole shelf; they range over every branch of human activity—zoology, minerology, geology, veterinary department . . . . .

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): May I ask what is the thickness of the Annual Report published by the Bombay Millowners' Association?

Mr. H. P. Mody: I am very glad my Honourable friend has asked that question. He will be sorry when he hears my reply; and that is this; the association which I represent does very important business and for the whole year of its activities it gets out a volume of a few hundred pages. What is the record of the Government of India and the Provincial Governments? The pages run into some thousands and tens of thousands; I am not sure they do not run into six figures, and they range over all manner of subjects in which the ordinary man has no interest. Why should they compile and chuck these volumes at our heads? I am sure that I am not interested in these matters. It is just as appropriate as a present which I received the other day of a book from its lady author, and the title of the book was "The care of the expectant mother". (Laughter.) I do not know why I should have been expected to be interested in a subject like that.

To resume the thread of my argument, I say the Government of India's machinery requires to be overhauled for three very solid reasons; one of them is that, constituted as they are, the scope for effective retrenchment is now very small. I believe that further retrenchment can be effected; the retrenchment that has been made so far has not gone far enough. But if you look at the amount of the civil expenditure, you will see that what may be saved to the tax-payer is perhaps a couple of crores, or three crores at the very outside. There is another consideration, and that is, that further taxation is not possible without crippling the resources of the

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country very considerably. In a land where agriculture is in a primitive state and where industrial development is still in its infancy, it is not possible for the Government of India to find all the money which a civilized Government needs for the purpose of carrying on the administration, and therefore, while you may cast your net wider,—and it is a point on which I would over and over again lay stress,—and rope in classes of people who have not yet contributed to the general revenues of the country, after all it is only a very limited field in which you will be able to operate.

Then, Sir, consider the enormous amounts required by this country in order to enlarge the field of its social services. After all, what is it that we get in return for all the taxation which is piled upon our heads both in the provinces and in the Government of India . . . .

Mr. N. M. Joshi (Nominated Non-Official): Nothing.

Mr. H. P. Mody: The expenditure on social services is very limited, and one has only to compare what England, Germany, France, America and various countries in the West spend upon activities which materially and morally better the lot of the people. In view of all this, I submit with great confidence that unless some overhaul of the machinery of Government is made and it is adjusted to the needs of the people, I do not think that the situation in another ten years will be any better than it is at the moment. Take, Sir, the instance of the Government of Bombay. Every imaginable avenue of taxation has been explored, and retrenchments have been effected, and the Government of Bombay now find that the only thing left is to see whether the machinery of Government cannot be thoroughly overhauled with a view to effecting real saving; and that, I say, will be the lot of the Government of India in a few years.

Another grievance that I have got against the Government is that there has not been drastic enough reduction in military expenditure. I shall touch upon it very briefly. I have already said once that the Army authorities and the Commander-in-Chief deserve great credit for what they have done, but let me at the same time tell them that what they have accomplished falls far short of the requirements of the country, and of the demands which the popular representatives will continue to make. There is no question about it that the Army in India is maintained beyond the strength at which it should be maintained if regard is had to the capacity of the tax-payer. Perhaps, a cut will be moved in the usual course of events in connection with the military expenditure, and at that time I hope to be able to expound my views.

I will now pass on to the main features of the Budget. My friend Mr. B. Das said, I hope, with his tongue in his cheek, that the richer classes were not being taxed and that the burden was falling upon the poorer classes, and he actually said that the Finance Member had gloated over that prospect. Now, what is the real position? Out of a revenue of 80 crores, 52 crores are contributed by Customs and 18 crores by income-tax, that is to say, 70 crores out of 80 crores are contributed by the people who cannot by any stretch of imagination be called the poorer classes. I am not making light of the miseries of the poor. As a matter of fact, what distresses me is that on articles which the poorer classes have to consume, kerosene, salt and things like that, the revenue has actually been estimated at a greater figure than in the present year.

Mr. B. Das: Thank you.

Mr. H. P. Mody: I was going to remark that as regards Customs and Income-tax, it is abundantly clear that the customs duties have reached the stage where the law of diminishing returns has definitely set in. I am not going just now into the question of protection and revenue; it is a large field, and I am sure some of my friends will in the course of the Budget discussion raise the question and give me an opportunity of saying something. As regards income-tax I do not think it is fair that in a time of great distress when peoples' incomes have dwindled to half, and in some cases to nothing at all, that actually more tax should be collected from a limited number of people than they were paying when they were earning a great deal more. A wag once remarked that in order to stimulate energy, enterprise and thrift there was nothing that could beat twins. Evidently, the Government of India seem to think that there is nothing like income-tax to stimulate energy, enterprise and thrift. From the way in which they have gone on piling burden after burden on the people, the Government of India seem to think that it is fair, right and financially sound that a limited class of people should go on paying more and more year after year. Sir, I would like to sound a provincial or, if you would like to call it, a parochial note. So far as income-tax is concerned, it is my province that suffers the most, and it is a province where the taxation per head is also unfortunately the very highest. Therefore, Sir, we who represent Bombay interests will continue to press upon the Government of India the necessity of lightening the burden upon a province which has contributed in many other ways materially to the resources of the Government of India.

Mr. B. Das: Why don't you ask for a subvention?

Mr. H. P. Mody: If we go on much longer at the present rate, we may be reduced to that; we will probably have to take the hat round for Bombay, if the present state of things continues, and I hope at that time my friend Mr. B. Das will be as willing to come forward with a subvention as he will be when his province of Orissa is separated.

Then, Sir, there are several more features, but I shall confine myself only to one, and that is the question of inflation. For years we have condemned the Government of India for deflation, and our condemnation was justified. Deflation is as bad for business as for tyres. The Government have now expanded currency, and the critics are at them again. Personally I do not think that their policy amounts to a resort to the printing press, but an expansion calculated to meet the requirements of trade and industry.

These are some of the main features of the Budget which it has been possible to expound in the course of a twenty minutes' discussion. I shall only add that while I recognise the difficulties of the Government of India, while I realise that it is a very abnormal situation that we have to meet while I also recognise that India is meeting that situation in a way in which few countries in the world have been fortunate enough to do. I say, Sir, that in spite of the fact that we have ground for a little optimism and not for unadulterated pessimism, the situation is not by any means

[Mr. H. P. Mody.]

free from anxiety, and the Government of India will have to conserve the resources of the country in every possible way. I hope, that the next Budget which the Honourable the Finance Member will present will not only show a happier position of affairs, but will also show a better appreciation of the cardinal facts of the situation, which are that we have reached the limits of taxation and that what is now required is a drastic reduction of civil and military expenditure and a radical overhaul of the machinery of Government.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): Sir, while I offer my felicitations to the Honourable Sir George Schuster for the courage and skill and ability which he showed in handling the financial situation of the country which only last year showed a deficit of Rs. 37 crores for the two years 1931-32 and 1932-33, and on his presenting a Budget to us now with a surplus of Rs. 2 crores —while I give him the meed of praise due to him, I cannot offer with equal justice felicitations to the Government of India on the manner in which they have tried to handle the political situation in this country. I am concerned at present with the political situation of the country so far as it affects the finances of the country and the Budget grants which are now before us. It is true that the financial situation which the Honourable the Finance Member has tried to straighten out is due to a certain extent to causes beyond the control of the Government of India; still there is no doubt in the mind of an impartial observer that the situation would not have become so bad as it has become if the financial policy of the Government of India had not been controlled by the British financiers acting through the Secretary of State, and if the Government of India here had shown more courage and statesmanship in dealing with the affairs of this country. The fall of over Rs. 4 crores in the estimated customs revenue is very significant. The two chief causes of this fall are the diminished purchasing power of the people and the disinclination of a very large portion of the public to buy British goods. That the purchasing power of the people has diminished itself condemns the policy of the Government of India. While the resources of the country remain the same as they were, while the people remain as industrious and do their work with the same energy and give the same time to national industries—if while all this is done, the purchasing power of the people diminishes it shows that the Government of the country is not paying due heed either to the principles of taxation or to other matters which tell upon the finances of the country. If the Government of India take good care of the interests of the country, there is no reason why, other things remaining equal, the purchasing power of the people should be very greatly diminished. As regards the disinclination of a large portion of the public of India to buy British goods, the fact that children of the age of 4 or 5 refuse to accept caps and clothes made of British cloth shows that there is something wrong, and it is time that the Government gave serious attention to causes which have given rise to this state of things. Sir, this spirit is spreading, and in the interests both of Britain and India it is necessary that early steps should be taken to win the confidence of the people and that Government should do nothing further to antagonise them. I will not discuss this question any further, because I want to say a few words with regard to my own

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province of Ajmer-Merwara now as no discussion of its Budget is possible under the procedure which obtains for the discussion of Demands for grants in this House.

Of the three centrally administered areas, the North-West Frontier Province has recently been raised to the status of a Governor's province, and the full benefit of the reforms is being given to it. Sind is soon going to be similarly favoured. All major provinces have already been promised not only great advance, but full autonomy. But has even a thought been given to the future of Ajmer-Merwara? When Bengal is unable to find room for her detenus, Government's eyes are turned towards Ajmer. The Simon Commission not only ignored this province altogether, but I am sorry, I have to use a strong word, discredited itself by recommending that the one little thing given to Ajmer-Merwara in the way of reforms—that of electing Member to this Assembly—should be withdrawn and instead of election, nomination should be substituted. This very fact shows the reactionary character and attitude of that Commission towards the interests of India. The Government of India in their despatch to the Secretary of State have also ignored the future of Ajmer-Merwara. Coorg with half the population of Ajmer-Merwara and half its size has been given a Legislative Council of its own to administer its affairs. Why, then,—what possible political objection could there be to giving a similar right to Ajmer-Merwara? What objection could there be to giving the people of Ajmer-Merwara, who in point of literacy and social amenities of life are far more advanced than the people of Coorg, the privilege of participation in the administration of their own affairs as the people of other provinces enjoy? I hope that Government will even now consider this matter and not turn a deaf ear to all appeals for justice, and not show to the people that it has banged the door of fair play against the people of that province. The treatment given to Ajmer-Merwara, when contrasted with that given to the North-West Frontier Province, places the Government in a very unfavourable light. A crore of rupees a year has been given to the North-West Frontier Province from the central revenues of the country but not a pie to Ajmer. According to the Budget estimates before us, the income of Ajmer-Merwara is, after excluding currency and receipts-in-aid of superannuation, Rs. 16,96,600, and the expenditure is Rs. 14,79,000, to which if we add all expenditure under other heads, excluding of course Interest on Ordinary Debt, Currency, Political and Territorial Pensions, Superannuation Pensions, etc., which practically have nothing to do with the administrative expenses of Ajmer, it comes to Rs. 15,07,500, thus leaving a credit balance of Rs. 1,89,100. If we add to this, say, Rs. 89,000, on account of civil works, which come under a separate head, still there is a saving of 1 lakh. Even if you give up the whole of 1,89,000, still Ajmer is found to pay its way and is in no sense of the term a deficit province. But what do Government do for it? It is a centrally administered area like the North-West Frontier Province and Delhi. If the North-West Frontier Province can be given a crore of rupees a year, is Ajmer-Merwara not entitled to get one-fourth of it or even 10 lakhs a year for its advancement? What then is the reason that it is ignored? Is it because there is no Khan Abdul Ghaffar Khan in Ajmer-Merwara? Is it because there is no red shirt movement there? Is it because there is no no-rent campaign in Ajmer-Merwara? Is it because no political murders are

[Diwan Bahadur Harbilas Sarda.]

committed there? If these are the reasons, people will soon come to believe that if they want justice to be done to them by the Government of India, they must develop the power to give trouble to the Government and actually give some trouble before they can expect to get justice. I know that my cry for justice is a cry in the wilderness. For the last ten years, every year when the Budget comes up, I get up and say something asking for justice for Ajmer-Merwara but I know that nobody listens to it. The attitude towards Ajmer of the Government is shown in the treatment accorded to it in the Budget estimates. Incidentally, these estimates also show how the Government of India treat and have treated the recommendations of the General Purposes Sub-Committee. Sir, the General Purposes Sub-Committee examined the question of education and medical requirements in Ajmer-Merwara, and finding that education had been starved there they could not find it possible to recommend any cut in Account No. 4 which concerns expenditure on education. But what do we find in the Budget presented to us by the Government of India? "The summary of the results of retrenchment operations in the civil expenditure and in the military estimates" lying before us shows that while the Retrenchment Committee recommends no retrenchment, Government have applied the axe to education and made a cut of Rs. 64,000 out of the grant. The seriousness of this cut, the heartlessness of Government and the grievous effect it will have on the welfare of the people will be clear when we consider . . . . . .

Mr. B. Das: Were you not a member of the General Purposes Committee?

Diwan Bahadur Harbilas Sarda: Yes, but the General Purposes Committee did not recommend the retrenchment of a single pie. It is the Government of India, treating the Report of the Committee contemptuously over the head of that Committee, have ordered this cut, without considering what the requirements of Ajmer-Merwara are. Did they have any data before them when they made this cut? Did they examine a single witness to find material to justify the cut? That is my complaint. That is why I say we are crying in the wilderness and Government do not care tuppence for what happens to that province. I was saying that the seriousness of the cut will be appreciated when we consider that this cut in one single department not only represents more than one-third of the entire retrenchment of expenditure in that province covering 13 departments, but that the largest cut in any other department is less than 38 per cent. of the cut in education; that is to say, no other department has been subjected to a cut of even 40 per cent. of the amount to which education has been retrenched. This unsympathetic attitude of Government towards education in Ajmer on the eve of a new constitution promising to India great advance on the path of self-government, contemplating a much extended franchise which in itself demands a better educated and more literate population than the present one, this attitude of Government in view of all this is, to use the mildest expression, deplorable. I fear it is wasting breath to discuss the matter any further. But I feel I shall be failing in my duty if I do not take this opportunity of protesting against Government's treatment of Ajmer-Merwara, for this is the only opportunity when we can deal with the Budget of Ajmer-Merwara as the guillotine will come long before Demand No. 81 is reached. Government do not think it is their duty to see that once in ten years at least that Budget should be placed before this House and discussed. Considering all this, I think it is my duty to put on record a strong protest on behalf of my province against the way in which my province is treated by the Government of India.

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.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I desire to congratulate the Honourable the Finance Member on the lucidity of his speech, but not in the sense in which other Honourable Members congratulated him. Sir, if ever I had a bad case, a case which no one would view with favour and if I wanted somebody to put up that case in a most alluring light as if there was a great deal behind it, I would know exactly what to do, but unfortunately my Honourable friend, the Finance Member, has mistaken his profession. He is not in the legal profession and therefore I do not know how to do it. Now, Sir, having said so much, the trouble is what to say. After hearing the Honourable the Leader of the European Group as well as my friend, Mr. Mody, I find there is absolutely nothing to say, but as we are on the general discussion of the Budget and one is expected to say something . . .

Mr. President: There is no obligation on the Honourable Member to speak.

Raja Bahadur G. Krishnamachariar: But I will tell you, Sir, why I speak. Those of my Honourable friends who are in the legal profession are acquainted with a class of witnesses, who though called probably to prove a very very formal matter, is always spoiling for making a statement that counsel on the other side just for fun's sake pursue him and although he does not probably know anything about it, yet he goes on answering questions till he himself is completely wearied. In that way I have an urge to speak, but, Sir, once I am on my legs, I do not know what to speak about—and I am not alone in the matter. To a certain extent my own defects may be the reason, but then I have got the authority of my Honourable friend, the Finance Member's speech for wondering as to whether there is anything to speak on, because, Sir, if you will kindly refer to the first five or six paragraphs of the Budget speech, what does it amount to? "We budgeted for a certain position; unfortunately it did not come out as we thought. In September, I made a forecast. I said at the time it was a guess, and it turned out to be worse than a guess. Now I know something about the way and I think the position may be a little bit better now. But unfortunately is it better? Even now the world conditions are such that no Finance Minister can possibly present estimates as being infallible." What shall I do? There is not even the excitement of fresh taxation, which, as my Honourable friend, the Finance Member, says, at times gives

[Raja Bahadur G. Krishnamachariar.]

I maintain therefore that it is not correct to say that the agricultural condition of the country during the year was normal. Sir, I do not wish to take up the time of the House by repeating what I said the other day about the Marwari who measured the depth of water running in a stream and got himself washed away. Many of us are starving. The trouble is that these statements are all made without taking into consideration separate provinces but in a broad way. I do not know whether they are made as a counter-blast to those statements that are supposed to be made by Indians which have the effect of creating panic, or whether they are made by the Government of India as they believe them. But the fact remains that these statements are so made.

Sir, there is another matter which has just struck me and upon which I think I should make one observation. This is with regard to the self-inflicted wound of Bombay which might become a sore incapable of being cured. Sir, there is an old Sanskrit saying which says:

"Pravojanam Anuddutya mandopi Na Prarartate."

"Even a fool does not start a thing without first finding out the gain and the loss which would result from it." Have Government devoted any portion of their time to find out why the millowners of Bombay inflict that wound and keep so much cloth locked up which they do not allow to be sold? Therefore I must say to Government, that before making this statement, they should find out why they have done so. They will be well advised to take the advice of the philosopher Bacon, "Remove the cause that contributed to it and not simply jeer at it". In conclusion, Sir, I would say that whenever there is any necessity for levying any taxation, for Heaven's sake do not tax the poor people.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, one of the main grounds which justified the transfer of the sovereignty of this country from the East India Company to the direct control of the Crown was the deplorable condition of the finances of the Government of India under the Company. On that occasion John Bright remarked that the true test of a Government is the test of its finances. The merits of a Government and the condition of the people are tested that way. The country has been directly under the control of the Crown now for 70 years and the change has not improved matters. On the other hand we are faced with bankruptcy. If there is a bankruptcy budget, it is this. No doubt the Honourable the Finance Member in unfolding his tale of woe anticipated our bitter criticism. He made allowances for our feelings in the matter. Had he been a Member of the legal profession, he would have made his fortune, drawing a princely income. He is far too clever for us as a Finance Member, if I may be permitted to say so. We certainly envy the Government of India because he sits on that side of the House. We would like to know what Sir George Schuster would say if he were on this side of the House criticising that Budget. The Honourable the Leader of the European Group, a few years ago in discussing the Budget of Sir Basil Blackett, remarked that the Finance Member of the Government of India had the face of a cherub but his methods were certainly the methods of a Tank . . . . .

Sir Hugh Cocke: If the Honourable Member is accusing me of that statement, I certainly did not make it. It was made probably by some other Member of this Group.

Mr. B. Sitaramaraju: I accept that correction. I have no hesitation in adopting those remarks myself. We have no quarrel with the Honourable the Finance Member, but we certainly object to the methods of raising taxation adopted by the Government of India. On the last occasion I said that the Honourable the Finance Member appeared to have no control over policies of the Government of India with which we have every reason to be dissatisfied. At the very outset of his speech, the Finance Member stated that we are not called upon to deal with another Finance Bill. It is so not because the circumstances which are disclosed now did not justify another Finance Bill with fresh taxation proposals, but because he could not have decently thought of bringing so soon after the last Finance Bill another one this session. I do not propose to go back over the ground covered on the last occasion and the circumstances under which the last Finance Bill was passed when the modifications we suggested were rejected, when the advice we offered had been disregarded and when our suggestions were set at naught and the Bill was passed over our heads. I would like to say this much, that our position on this side of the House and the constitutional privileges which we appear to possess on this side of the House are very unreal. I will take another opportunity of discussing that constitutional justice and the administrative wisdom of over-riding the wishes of this House, notwithstanding the promises held out by Sir Malcolm Hailey when he was presenting his first Budget in the First Assembly, namely, that whatever might have been the practice in the past, if they would incur expenditure in future, it would be under our mandate, and if they impose taxation, it will be by our vote. That promise has been unreal. From a constitutional point of view our position here is so unreal that I do not think we can make any useful contribution. If we offer suggestions which are not acceptable to Government, they are disregarded and if we have got to agree with the Government on all points, our presence is superfluous. Under these circumstances it is very difficult for us to say what co-operation we can possibly offer except to listen to the remarks of the Honourable the Finance Member. I would like however to say this much, that on the last occasion, what we said was that several crores were proposed to be met by taxation and that we were prepared to accept taxation so long as the incidence of that taxation had been properly distributed, and that the burden of taxation had not been made to fall unduly upon poor people, and that more retrenchment had been effected. But what actually happened was the other way round. We told the Honourable the Finance Member that there is a law called the law of diminishing returns which would tell heavily on several of his proposals. In spite of that, the Bill was allowed to go through in the way in which it was presented to the House. What is the result? We find that so far as the customs revenue, which is our mainstay, is concerned, there has been the same law of diminishing returns which we feared and warned the Government of, in operation. Now we find no less than a 50 per cent. fall under that head alone. We are now told about the still favourable trade balance. If we exclude the export of gold, then the tale would be different.

Speaking about income-tax we are told of the evasion of income-tax as having been responsible for a fall in receipts. I am prepared to admit this much that there may be some cases where there is certainly evasion, but there are also cases where the income-tax falls heavily upon people who cannot afford to pay and yet are made to pay.

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a sort of instigation to speak, and even that does not exist. No new taxation; everything depends upon world conditions; and no one can say with certainty whether your forecasts are going to be right or wrong; and last of all, there is no silver lining to the cloud, that the taxation which has been thrust upon us last September is ever going to be taken away. What, then, does that mean? Whatever it may be I must muster up strength and make one observation which I hope the Honourable the Finance Member will kindly oblige me by acceding to, and that is that next time he comes up for fresh taxation—as I am afraid he is going to do so judging from the way he has talked about kerosene and betel nuts—he will try his best to save the poor man of which I am one. (Laughter.)

Sir, my Honourable friend, Mr. Das, said that the taxation scheme has been so framed that the rich man is excused, and my Honourable friend, Mr. Mody, in order to refute that charge, said a number of curious things which I do not understand, and if I make a foolish statement I hope the House will excuse me. He said that the customs revenue is something like 52 crores and that his community, *i.e.*, the commercial community, contributes the whole of that. Coming to the income-tax, unfortunately he did not elaborate that position. Now I find that the customs revenue is made up of taxes on articles imported from foreign countries which the Government taxes at the port of import. Now taking cloth, for example, I should have thought that that is not consumed by my friend, Mr. Mody's community but by the entire population of India, and whatever customs duty is levied upon cloth is not paid by him but by the poor man. Likewise it is perfectly true that there are certain capitalists in Bombay who pay income-tax, but if you look at the calculation given by the Honourable the Finance Member last time when he introduced the Finance Bill, you will find that the taxes, which are recovered from people with incomes between Rs. 1,000 to Rs. 2,000 as against those with incomes above Rs. 10,000, run to five or six figures. Therefore, Sir, apart from what Mr. Mody says, I respectfully submit that we already have been pressed by this taxation and the only thing that interests me is to see relief in taxation granted to the land-owning classes. (Laughter.) That unfortunately does not seem to be in sight and therefore I say that, notwithstanding the great enthusiasm to which I tried to work myself up, I feel very very depressed, much more depressed than the depression world conditions cause in the Finance Member by making it impossible for him to forecast his Budget. Then with regard to the question of the export of gold, there are two opinions, just as there are two bodies of opinion in favour of a ratio of 1*s.* 4*d.* and 1*s.* 6*d.* Who is right, I must say I do not know. I have no doubt that Government quite honestly believe that it would do the country some good if a portion of the gold went out of the country, but so they did when they started selling Reverse Council Bills and when exchange mounted up to 2*s.* 7*d.* or so, and they said it was a very good thing for the country. When however a tremendous lot of money went out of the country and was lost to it, then it was realized that it was a mistake. I certainly hope that, so far as this matter is concerned, they will not be making the same mistake as they did in the matter of the Reverse Councils.

There is only one other remark I would submit and it is with reference to paragraph 78 of the Finance Member's speech, where it is said that in spite of the general depression, the country shows an enormous potentiality,

as for example by absorbing securities by means of Post Office Cash Certificates, and so on. Now it is perfectly true they got the 6½ crores for their loan, but unfortunately I have never come across any statistics to show how much of it was really contributed by persons whom the Honourable the Finance Member takes credit for as showing that they have a remarkable power of appropriating these securities. Similarly, Sir, it is said that there is a considerable amount of money with the masses for investment. I do not accept that statement because it is a statement which, so far as my experience goes, is absolutely contrary to the facts as I know them. I do not think that the masses of India have plenty of money or any money with them. If that were the case, we would not say here every time that there is a taxation proposal that the poor men should be left alone. Sir, years ago Sir William Hunter, Director of Statistics in India, said that 40 million people go through their life with one meal a day. Nobody has since made a calculation about it, but if you were to make a calculation, I am sure it would come to about 60 million people who go through life with only one meal a day or less. I cannot therefore for a moment agree to the statement that those masses of India have got enough money in reserve because a few Postal Cash Certificates have been sold. These Postal Certificates are absolutely unknown to millions of villagers. I myself did not know for a long time what these Postal Certificates were. Sir, that is the position so far as the country is concerned.

Another statement that I wish to make is about the agricultural condition of the country. It has been said that the agricultural condition has been good during the year. I do not agree with that statement. If you take the Madras Presidency, you will find the agricultural condition as bad as you could ever imagine it to be. It is so bad that even the Madras Government was induced to allow us to pay our *kist* one month after the due date. You know, Sir, very well how the land revenue administration is run in this country. One Collector to whom I had the misfortune to apply for remission said that I did not cultivate my land simply to spite the Government and to ask for a remission. Sir, I happen to own some land and the yield from it comes to a good figure. I pay Rs. 10,000 a year to Government and in this particular taluk I was paying only Rs. 3,000. It was mentioned by the Collector that I did not cultivate my land out of malice and waited for the time when the applications for remission were entertained. It is to that absurd length that the officials could go in the matter of the remission of land revenue. If even those officials could soften their hearts and if even they could allow us to pay our land revenue not at the usual time but, say, one or two months later . . . . . .

Mr. K. Ahmed: (Rajshahi Division: Muhammadan Rural): Agriculture is a provincial subject.

Raja Bahadur G. Krishnamachariar: To a man like myself it does not matter what the classification of the subject is; the burden is all the same. It may satisfy arm-chair politicians who have not got to pay any kind of tax to differentiate between various subjects. But it is we, the agriculturists, who can say where the shoe pinches. Therefore this distinction of provincial and central does not appeal to me at all. I have got to shell out the money all the same whereas my Honourable friend over there has not got to.

[Mr. B. Sitaramaraju.]

If you take the sum total of all losses and gains it will be seen that, after all, the budgetary position cannot be hoped to be altered in any case. At the same time I do not mean to say that the Honourable the Finance Member has not done fairly well in his own way and from his own point of view. There was a deficit of 39 crores estimated in September last and the combined deficit now is 11 crores. Therefore the Honourable the Finance Member may be congratulated to this extent that he was able to save about 28 crores of expenditure. For this achievement having the power not to do it and yet having done it we must congratulate him. He has also indicated the possibility of finding other means of raising revenue, and provincial revenues were brought into discussion both by the Leader of the European Group and also by my Honourable friend Mr. B. Das. In this connection I should like to say that when the Leader of the European Group was asking for the strengthening of provincial revenues, he did not consider the great need which the provinces themselves have to strengthen their own revenues. Practically every province, except the Central Provinces, is a deficit province to-day. If the Federal constitution is to be a reality in the future, if provincial autonomy is to be a success, it is absolutely necessary that the provinces should have ample funds at their disposal if the constitution is to be worked in reality. I am not able to understand how those finances which are now crippled in the provinces could become better if means are not to be found to strengthen them. The mainstay in the provinces is excise revenue which, due to several causes, political as well as economic depression, have been showing very poor figures and the provinces themselves are not able to maintain themselves on that account. The mere question of raising the excise revenue will not serve any useful purpose. The provincial revenues have got to be satisfactorily settled if provincial autonomy is to be worked with succes. It has been suggested by one speaker that income-tax could be handed over to the provinces. I, for one, would welcome that proposal that income-tax should be handed over to the provinces for this reason, apart from any other, namely, the Provincial Governments have their own land revenue system under their control, and with the huge establishment for the collection of land revenue which they have got, it would be far cheaper to collect income-tax, and we would not be faced with this huge expense that is incurred in connection with the collection of income-tax. It has been suggested that other means have to be found for increasing the revenue of the country. So long as retrenchment has not been fully carried out, so long as this side of the House is not yet satisfied that every possible avenue of retrenchment has been explored and given effect to, it is very difficult for Honourable Members on this side of the House to agree to any fresh taxation.

I should like to say a few words on the question of military expenditure. The military expenditure is like the Old Man of the Sea in the story of Sindbad the Sailor, hanging very heavily round our necks. I dealt with this expenditure a few days ago and I do not want to repeat now what I said on that occasion. I would like to say this much that the military expenditure in this country is too heavy, and the country cannot afford such heavy expenditure under this head. The whole view of the Army in India has got to be examined. If the British Army in India is intended to hold India for England, then surely it must be England which has got to pay for it. But if on the other hand the British Army is intended for the defence of India, then certainly we can very

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well afford to have a cheaper army. It was said by the then Leader of the European Group, Mr. Arthur Moore, that India has got a great land barrier which ought to be properly guarded and for which this army is required. On that occasion I had no opportunity of replying to him but I should like to do so now. If the Honourable gentleman would scan the map of India a little more carefully, he would find an impenetrable barrier called the Himalayas on the north, and but for the Khyber and Bolan Passes, God has made our land position impregnable and practically secure. A small army can keep the whole of the land barrier under control. As regards the bogey of the tribal terrors on the North-West Frontier it will be found to be unreal and certain to be exploded under a real provincial Government now called into being as a result of the constitutional advances. If the defence of India has really got to be considered, it has to be considered from one view, a view that has not been taken by the Government of India in all fairness to the people of this country. It is the absolute necessity of providing a navy for India. If there is anything that has got to be protected it is our coast, which is bounded by the sea on all the three sides. Therefore, nothing having been done in that direction, one cannot say it is for the defence of India that large sums of money are being spent.

Then, Sir, the other day we read that on the separation of Burma, Burma would be satisfied with 2 millions of rupees for expenditure towards army purposes. If that is to be accepted as a proper figure for one province, then on that calculation 18 millions ought to be quite sufficient for the maintenance of the army in India. In fact it was 18 millions which was once the stabilised figure for army purposes under Lord Ripon's Government. I am alarmed at the indication made in the Budget speech that His Excellency the Commander-in-Chief has said that he could not accept any figure lower than 48 crores. Sir, a bold policy is wanted in this direction to deal with military expenditure notwithstanding the remarks of the Commander-in-Chief. The position as stated by Lord Incheape cannot hold good today because his figures do not count at the present moment on account of the fall in prices of food-stuffs. When that figure was 55 crores for military expenditure, it was argued by the military authorities that they could not reduce that expenditure, and still it was found possible to reduce it to 50 crores. And then when the military authorities said that it could not be less than 50 crores, still it could be found possible to reduce it to 46 crores; and if His Excellency the Commander-in-Chief says today that 46 crores is not sufficient for him and it cannot be reduced, I would like to say that from past experience we can very well urge further reduction, which will be found possible. For after all if the real purposes of this country are to be served and if the defence of this country is the only criterion for which this expenditure is to be incurred, then certainly this country can very well afford to have an army at a cheaper cost. I do not propose to deal with the question of Indianisation at present, but that would certainly bring the cost of the Army to a lower figure.

There is another question that I would like to deal with and it is this. In this country not only is the question of the Army to be reviewed and the whole purpose of the Army has to be discussed, but we have also to consider the question of the salaries paid to our officials and review the whole question of the services. What we really need in this country if we are to be saved from bankruptcy is a national standard of wages. When we are a poor country and cannot afford high salaries for our servants, then surely we cannot be made to pay the high salaries which are being paid

[Mr. B. Sitaramaraju.]

today. I do not for a moment wish to bring in the question of racial discrimination in this matter. But what I say is that it is much cheaper to have a national standard imposed on our public services. If we need European experts, we can get them and pay them accordingly, but so far as Indian needs are concerned, we need a cheaper service. I should like to say that every public servant in this country must be prepared to accept a lower salary than is paid now. In this connection I should like to invite the attention of the House to the late Mr. K. C. Roy's suggestions before the Lee Commission as well as before our Leader's Retrenchment Committee, when he fought for the need to fix a national standard. It may be interesting in this connection to note that in the case of the Vice-Chairman of the Imperial Council of Agricultural Research, I am informed that he made a voluntary surrender of Rs. 1,000 in his salary. Sir, it was a voluntary surrender made by him, and the congratulations of this House are due to him. I hope the Retrenchment Committee will give a further lead in this matter and make suitable reductions, and that patriotic men like Sir T. Vijayaraghavachariar will come forward and surrender their salaries, for we cannot afford to pay these costly salaries. If we need any European experts, who could not be had for a lower salary, then we could get them as experts, but so far as the services of the country are concerned we cannot afford to pay the present salaries—salaries too high to be paid by a poor country.

Then, Sir, about the future entrants, I would like to know what the Government of India are going to do. They have not yet announced their plans as to the future entrants in the services. I understand that some Provincial Governments have already moved in this matter, and I should like to know from the Finance Member what proposal the Government of India are going to make in this direction.

Khan Bahadur Mukhdum Syed Rajan Bakhsh Shah (South West Punjab: Muhammadan): (The Honourable Member spoke in Urdu a translation of which will appear later as an Appendix to these debates).

Mr. N. M. Joshi: Sir, the speech of the Honourable the Finance Member was somewhat difficult to understand.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Why?

Mr. N. M. Joshi: He first tried to show that the country's trade was in a bad condition. Then he said that our exports and imports are only half of what they should be, and that this was due to the low purchasing power of the common people. This he proved by showing that the customs duties, in spite of increased rates, have not produced correspondingly increased revenue. On the other hand, he tried to show that the financial condition of the Government was intrinsically sound. It is true that it is apparently sound. He has by some method converted the huge deficit of last year into quite a good surplus this year. How he has achieved this miracle it is somewhat difficult to understand. I feel, Sir, that he

achieved this miracle firstly because the poor people of this country are thoroughly ignorant; they do not know what the Government do; they do not know who exploits them and how they are exploited; and secondly they are too patient. They not only do not revolt when their burden becomes too heavy, but they do not even groan and grumble . . . .

Mr. S. C. Mitra: They starve and die.

Mr. N. M. Joshi: It is, Sir, on account of these causes that the Honourable the Finance Member was able to reconcile the two apparently contradictory positions which he himself placed before this House.

Mr. B. Das: You forget the Ordinances?

Mr. N. M. Joshi: Well, Sir, in examining the proposals contained in this year's Budget, let us examine from whom the revenue has been obtained and on whom the revenue has been spent. When we consider this question, the main items of revenue are, as has been pointed out, the customs duties, which amount to about 52 crores, the salt tax, which produces 9 crores and the income-tax which gives about 18 crores. Now, my friend Mr. B. Das pointed out that this shows that the burden on the poor people has been growing, and my friend Mr. Mody said that Mr. Das had his tongue in his cheek when he made that statement. I feel, Sir, that my friend Mr. Mody was giving loose rein to his tongue when he hinted that the 52 crores of rupees obtained from customs mainly fell on the richer people. Sir, it is admitted on all hands that when you derive your revenue from customs duties, the relative burden falls very heavily upon the poor people. This fact does not require any proof. It has been admitted by every authority. . . . . .

Mr. H. P. Mody: Still we would like to have it.

Mr. N. M. Joshi: Sir, that a Government should get 61 crores of rupees by indirect taxation and only 18 crores by direct taxation shows that there is no proper adjustment of the taxation in the country. The taxation falls more heavily upon the poor people. The proper principle of taxation, as I have pointed out several times in this House, is that the burden of taxation should fall upon people according to their ability to bear the burden. That is the only sound principle of taxation, and if you remember this principle of taxation, there are huge masses of people in this country who have absolutely no margin to spare for paying any tax to the Government. I do not suggest for a moment, Mr. President, that we have reached the extreme limit of taxation, as has been said by several speakers, but I must say this that the extreme limit of taxing the poor people in this country has been reached. Sir, the very principle of taxation which this Government follows is wrong. That principle Government will have to give up if they want that the burden of the cost of Government should fall upon shoulders which are better able to bear it than upon those who are less able to bear it. At least, the Government should try their best to keep some balance of the burden that should fall upon people who cannot bear the burden, so that it could fall upon people who could bear it. The Honourable the Finance Member himself admitted that the burden does fall upon the poor people, but unfortunately he made a statement that if in future we are to get more revenue, if Government needs require

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money on social services than on their Army. I feel therefore that the Government of India must change their policy as regards not only how the revenue should be obtained but how the revenue should be spent. Unfortunately, the Government have always made difficulties about finding money for purposes from which poor people are likely to derive benefit.

Before I close, I wish to refer to one more point, and that is this. The Honourable the Finance Member has admitted that our present troubles are due to the international circumstances. Many countries in this world have gone mad over the question of protection and tariffs. (*Mr. G. Morgan*: "Hear, hear.") Many people have gone mad in hoarding gold. The trouble of the world is due to war reparations. In all these questions, I hope that the Government of India will exert their influence in such a way that the troubles of the world will be lessened at least step by step. The Government of India have immense opportunities. They take part in international conferences and committees. I hope therefore that the Government of India will use all their influence in seeing that the policy of the international world will be so directed that there will soon be a recovery from the depression.

Then, Sir, there is one point about the exchange and currency policy. The trouble of the world is due to the hoarding of gold. Fortunately we are off the gold standard.

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

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Sir, the perusal of the Honourable the Finance Member's speech makes it abundantly clear that though the Government have gone on increasing the taxation from year to year yet the expected revenue from such increased taxation has never been realised. In spite of that, the Bureaucracy went on increasing the taxes till the last Finance Bill has put the last straw on the camel's back. I admit that the world wide trade depression is one of the causes of the present deplorable state of the finances of my country, yet a major part of the responsibility for bringing the country to this sort of financial bankruptcy and ruin lies on the shoulders of the present irresponsible bureaucrats. The present system of irresponsible administration will always take to dubious means of manipulation of figures, giving them a false appearance and gloss showing that everything has been done in the best interests of India. The Honourable the Finance Member in his speech compared the Budget estimate of 1931-32 with the Budget for 1932-33, and showed that the customs revenue in the Budget of the current year was 56,46 lakhs whereas the revised estimates showed a fall by about 10 crores, but there appears to be no justification as yet to budget the revenue of the next year at 52,31 lakhs, that is about 6 lakhs more than the revised estimates of the current year. Sir, it is nothing but intentional over-budgetting and adopting a policy of drift with the hope that trade might revive and prices might go up and the purchasing power of the masses might be increased, resulting in an expected increased revenue. We find that for the last few years the revenue has been regularly and consistently decreasing. Is there any justification for budgeting the customs revenue at a higher figure than the revised estimates of 1931-32, which is only 46,28 lakhs? This over-budgeting on the receipt side is also one of the

causes of the financial stringency in the Government of India, which, in course of time, if pursued continually, I am afraid, might bring about the total financial bankruptcy of India. The revenue is falling off and it is certainly due to a great extent to world wide trade depression, but the main causes of this decrease of revenue are political. The present system of administration by means of Ordinances can never yield better revenues even if the taxes are increased by ten times the present rate. We can never expect even to realise in 1932-33 the revenue shown in the revised estimates of 1931-32 unless the present political grievances of the people are removed and redressed. Government have tried to raise postal revenues by raising the rates of postage; they tried the same methods of raising the railway revenue by means of increased railway rates and fares; they tried as well to raise the customs revenue by increase of import duties, but with what result. They never realised their expected revenues due to all this increased taxation. Even in the case of sugar, the Honourable Member has referred to the fact that, owing to a falling off in the purchasing power of the people, the expected revenue from the import duties on sugar has not been realised. But I will put this decrease in this item of revenue as due to the Indian masses using more *goor*, *i.e.*, molasses, instead of foreign imported sugar. The people of India have got so much exasperated at the irresponsible administration by a handful of British officials, helped by another few hundred British merchants, that they would like to end the present administration not by means of refusing supplies in the Assembly but by refusing supplies to Government in the form of taxes through their self-denial and abstinence. If after all these, the Government have not come to their senses yet, they will never wake up till the whole fabric of bureaucratic administration suddenly collapses by financial bankruptcy.

There are two methods of balancing a budget in a country. One is by increasing the tax revenue, and the other by reduction of expenses. In this unfortunate country when the revenue is falling off year by year, the steel frame constitution will not take to real retrenchment and economy. The whole country has been crying for the last two decades for the reduction of the military expenses and of the cost of the top-heavy civil administration. But the Government never cared for it so long as they could get public loans and could avoid retrenchment. Even now in these days of financial stringency, Government have not taken to real retrenchment. In the field of the so-called retrenchment we find that only men at the bottom are being axed. Thereby the number of Indians unemployed is being increased. In the speech of the Honourable the Finance Member he has given a figure of 299 as the number of gazetted officers retrenched. May I ask him as to what is the number of Imperial Service European officers whose posts have been retrenched out of the total of 299 officers. As everybody knows, no reply would probably be forthcoming to this plain question, as only the posts held by men who rose from the subordinate services or from the ministerial grades to the so-called gazetted ranks have been abolished. I may take as an example only one part of the administrative machinery of the Government of India, namely, the Government of India Secretariat, which will give ample proof to my statement. Everywhere we have heard Superintendents, Assistant Secretaries or Assistant Financial Advisers or Under Secretaries who have been promoted to such ranks from other services have been retrenched. I have yet to learn whether any posts of Secretaries, Deputy Secretaries, Additional or Joint Secretaries or Deputy Financial Advisers held by European Imperial

[Mr. Bhuput Sing.]

Service officers have been retrenched. It is apparent that the Government of India are determined not yet to make a real reduction of expenditure to balance their Budget. Even when a cut in salary has been agreed to, the effect of it has been neutralised, so far as the highly paid officers are concerned, by merging that cut in salary with the surcharge on income-tax. The net result is that the lesser the pay of officers, the more they are asked to pay to Government by way of a cut in their salaries. Is this the reduction in salary which the country demanded so long? I am positive that the country never demanded this sort of retrenchment. I would ask the House now to make a definite demand that a graduated cut in salary, beginning from ten per cent. rising right up to 25 per cent. at the top, should be enforced to bring down the present heavy cost of the top-heavy administration.

I now come to the Army, and there as usual the state of affairs is most deplorable. We have been told that the military estimates have been reduced to 46½ crores, but what is the method adopted in reaching that figure? It is mostly by deferring the present expenditure to future years that the Budget figure of 46½ crores has been arrived at. Further there is certain other Army expenditure which by manipulation is shown in the civil estimates. I would like to mention some of the items such as the cost of the Survey Department, the cost of the Frontier Constabulary and the loss to the State due to strategic lines, which are really military estimates though shown under civil heads. If we add all these costs to the military estimates, I am sure the military estimate for the next year would be somewhere near the figure of 60 crores or more and certainly not at 46½ crores as estimated. Sir, with these few words, I conclude my remarks.

Mr. S. G. Jog (Berar Representative): Sir, before I proceed, I must thank the Chair and also congratulate myself on the triumph of the proverb that patience and perseverance succeed in the long run. Also things which are secured only after meeting with some resistance are more valuable than those which are easily got. Sir, I am really in a fix as to whether I should humour the Finance Member or hammer him on the production of his speech. (*An Honourable Member*: "Hammer him.") A voice on this side of the House tells me that I should hammer him, but my association with him, Sir, on the Standing Finance Committee has created a soft corner in my heart for him, and I extend my sympathies to him and I quite realize his hard labour and his efforts to solve the Indian problem. As regards applauding his speech, I may say it had already been applauded before it was actually delivered. Only the day before yesterday when he was in the mid-portion of his speech, I went out and I got the newspaper summary of Reuter; it gave some summary of his speech and put the words at the end in brackets. "Loudly applauded". I just came and ascertained whether the Finance Member had delivered his speech, but I found he had finished only a quarter of it. So if it is not for anything else, I must congratulate the Finance Member on having probably sent his speech in advance, and on the anticipation that the House would loudly cheer him. Of course at the end of the speech we could see that he was loudly applauded no doubt, but I must congratulate the impatience of the news-paper agencies on giving publicity to an anticipated loud cheering long before it actually took place. (*An Honourable Member*: "These are Associated Press agencies.") I know some instances where some speeches

were not delivered at all, but they were published in certain newspapers as having been delivered. Anyway we know his speech was applauded as a matter of fact.

Now I have taken some pains in reading the Finance Member's speech, and really I would congratulate him that he has succeeded in showing a surplus Budget of a small amount, but so far as the taxation goes, I think the speech is more or less a tragedy. Referring to the incidence of taxation, he has said that the revenue that has been collected is mostly from kerosene, salt and the surcharges, but we know that in many countries articles of prime necessity are as a rule exempted from taxation, and the very fact that the Finance Member is compelled to have recourse to this process of taxation shows that this is his last resource: and if this time he fails in recovering revenue, I would ask him what recourse will he have next time? Sir, it is said the richer classes' capacity of taxation has been reached, it is said that the middle classes' capacity of taxation has been reached, and that the lower classes' capacity of taxation has not yet been practically touched and probably next year these people would have no alternative but to stop burning kerosene and even eating salt! Sir, that is the only way of making the Finance Member change the incidence of taxation. As for the Labour Member, who is unfortunately absent now after making his speech, it is very difficult to see eye to eye with him; apparently he seems to labour under a misunderstanding, and I think he may take it as a privilege to do so. However, he has given a few points for this House to consider. Many other Honourable Members have made references to many Departments and have made some valuable suggestions. In one word I should say that the burden of the song in the whole of the Finance Member's speech is, "Higher taxation and lower returns". Sir, I am extremely doubtful whether the word "song" can be appropriately used for the Finance Member's speech. A song generally is something amusing to hear, but the song which the Finance Member gave was rather jarring to the audience, and therefore the word "song" is not appropriate. So only for the sake of simile I used that phrase. With regard to the speech, it is very difficult to see any redeeming feature. I was trying to find a few points where I could stand up in defence of my Honourable friend, but I think I have not been able to succeed except in one point where it comes under military expenditure. Therein he says that:

> "Honourable Members will find among their Budget documents the Army Department papers giving a detailed account of the methods by which this reduced figure has been reached. The total reduction which is raised to 5½ crores to allow for certain unavoidable new items such as the establishment of the Indian Sandhurst, is made up of, first, 1·40 crores from cuts in pay, secondly, 3·10 crores from retrenchment measures in recurrent expenditure. . . . . "

So throughout the whole of the Honourable the Finance Member's speech, this is the only green spot which I could touch, and ever since this Round Table Conference and the various committees were set up, nothing tangible has been got so far except the projected establishment of the Indian Sandhurst, which is really a piece of good news for us. I should like to develop that point at some length further if I get an opportunity later on while speaking on the cut motions, but here I will content myself with making a few general observations as regards the Army policy of the Government of India. It has been indeed an established principle that the defence of India is the main concern of Indians and that it is for the Indians to solve the problem, and it is in that view that the Round Table Conference made

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a suggestion for the appointment of an expert Committee for the immediate establishment of a military college later on. But confusion and difficulties arose about the interpretation of the terms of reference and the Government of India took upon themselves the responsibility for fixing the number of the Indians to be taken into the college. In the minute appended to the Report of the expert Committee by my Honourable friend, Sir Abdur Rahim, he says:

"We set out here in full this Resolution as it must be taken to be an integral part of the terms of reference.

(1) The Sub-Committee consider that with the development of the new political structure in India, the defence of India must to an increasing extent be the concern of the Indian people and not of the British Government alone." In order to give practical effect to this principle they recommend:

(*a*) That immediate steps be taken to increase *substantially the rate of Indianisation* in the Indian Army to make it commensurate with the main object in view, having regard to all relevant considerations, such as the maintenance of the requisite standard of efficiency.

4 P.M. "(2) in order to give practical effect to this principle they recommend:

(*b*) That in order to give effect to (*a*) a training college in India be established at the earliest possible moment, in order to train candidates for commissions in all arms of the Indian defence services. This college would also train prospective officers of the Indian State Forces. Indian cadets should, however, continue to be eligible for admission as at present to Sandhurst, Woolwich, and Cranwell.

(*c*) That in order to avoid delay the Government of India be instructed to set up a Committee of Experts, both British and Indian (including representatives of Indian States), to work out the details of the establishment of such a college.

(3) The Committee also recognise the great importance attached by Indian thought to the reduction of the number of British troops in India to the lowest possible figure and consider that the question should form the subject of early expert investigation."

This question of the establishment of the Military College has got much to do with the scheme of Indianisation of the military services as a whole and ultimately it has got a direct bearing on the military expenses of India. On the main question of the military expense, the Finance Member, taking the cue from His Excellency the Commander-in-Chief, says this:

"On these considerations His Excellency wishes it to be made clear that he cannot regard the budget figure of 46·65 crores as representing a new *standard* level of standing charges, and that the normal cost of the Forces at their present strength when the cut in pay is restored must be recognised to be about 48 crores even if the prevailing low prices for grain, etc., continue. I have thought it right to let Honourable Members know the conclusions which His Excellency has drawn from the facts of the present situation, and I can only add that the Government will continue to press for all possible efforts to secure further recurrent economies and that the campaign for retrenchment will not be regarded as finally closed with the achievements of this year."

Over and above the remarks made as regards the other Departments the Finance Member has made alarming statements that henceforth there is no margin for reducing the expenses under military. He says that 48 crores may be taken as a standard for the military expenses. If the question of the Indianization is taken, as I said just now, in its proper spirit, I think the question about the military finance will find an easy solution. On the contrary, what do we find? The recommendations of the Military College Committee have not been pushed through, nor have the recommendations that have been made by the previous Committees. What they have

suggested now is the selection of only 60 cadets—30 half-yearly—, out of which only 15 go by competition and some of them go also to States. I take this opportunity of bringing to the notice of the Government of India that this arrangement, although it may be considered to be an advance on the previous arrangement, is not sufficient, on the whole, to meet the growing aspirations and the growing demand of the Indians in the case of the military services. I also congratulate the Finance Member for the immediate steps taken for some advance in this line but it is hardly satisfactory. I further suggest that in the near future steps should be taken for reviving the whole scheme and preparing a fresh scheme so as to bring it in a line with the growing aspirations and the demands of the Indian people. It will give facility to the military training of Indians and side by side it will solve the problem of military expenditure. This is one of the aspects which I had a mind to touch upon and I have touched it. If I get another opportunity, I will be able to deal with this question at greater length.

There is, Sir, one thing more which I have found in this Report as regards the cadets that are to be taken from the Native States. The Government of India has been very generous towards them. In these lean years I see no reason why the Finance Member should not take contributions from the Native States. They are going to admit candidates from Native States, but they have shown their unnecessary generosity in not accepting contributions or making a claim for the establishment of that college. On page 13 they say:

"We do not recommend that Indian States should be invited to contribute any funds towards the establishment of the College, or its maintenance when established. In view of this, the majority of us consider that the full expenses of the course should be payable in respect of all Indian State Forces cadets whether entering the College by competition within the State or as army cadets. The cost of any remission of fees granted to individuals should be borne by the State concerned."

In these lean years when we are establishing a college and are spending a large amount of money over its establishment, we see no reason why the Government of India should be so generous in making this concession to the Indian Native States. Most of the Indian States are coming forward to help you in stamping out the civil disobedience movement. If you open any newspaper, you find every day a regular list of Princes who are coming forward to help Government. Why should not the Government make use of this and take some donation from them for the establishment of this college instead of making all these concessions to them? As regards other points, I am very thankful to other Honourable Members who have touched upon them, and I have no desire to repeat what has already been said by many Honourable Members. But there is one thing which I should like to bring to the notice of the House. It would not be fair on the part of this House to unduly criticise the Finance Member, because you all know the special circumstances under which he is handling the financial affairs of the Government of India. We are passing through unprecedented times. It is really unfortunate for him that he has come here during the time when debts and deficits have become the order of the day. All Provincial Governments and even the foreign Governments are coming forward with deficit Budgets, and under such circumstances there is no doubt that he is trying his best to make the best of a bad bargain. To that extent, I think, this side of the House might show some sympathy to him. At the same time, he must not shut his eyes and he must face facts as they actually are. The taxing capacity of the people

[Mr. N. M. Dumasia.]

capitalists and by labour and not by representatives of labour. If anybody has failed to improve the lot of labour, it is the representatives of labour. With these remarks I resume my seat.

Mr. Nabakumar Sing Dudhoria (Calcutta Suburbs: Non-Muhammadan Urban): Sir, the Honourable the Finance Member's Budget speech raising alternately hopes and fears in us is altogether a dismal record. Despite distressing trade depression and general lack of purchasing power, when he sees some silver lining in that gloomy picture through the help of mere "average calculations" by reason of this year's investments in Post Office Cash Certificates, Savings Bank deposits and Treasury Bonds, he not only thereby deludes the public but also gulls himself to some extent about the country's present financial situation and the fabulous hoardings of the Indian people. The temporary rise in some shares, here and there, just on the eve of the presentation of the annual Budget, he manages to forget, is due to manipulations in interested quarters and that for obvious reasons.

Sir, in treating us to a homily about the virtues of the export of private gold from this country to the extent of 55 crores during the course of the last six months, the Honourable the Finance Member ingeniously attempted to explain away the Indian opinion in the matter. But what he has managed to ignore is the significant fact that the unrestricted gold export has materially benefited his country which was getting gold-depleted, at the expense of India, as disclosed by the statements of English Cabinet Ministers, Bank Managers, and commercial magnates. This is confirmed by what has appeared in the *Statesman* and the *Nation* which say that the repayment of 30 millions to America and France could not have been made without the export of gold from India. Referring to the Financial Secretary's statement, that paper observes:

"But the return of 80 millions will cause us a good deal of trouble unless gold continues to come from India on an increasing scale."

The export of large quantities of gold from India at a time when every other country was trying to stop its gold from going out had been quite dangerous. It might have temporarily relieved the Secretary of State by placing him in possession of funds for the repayment of sterling loans: it could have also improved temporarily the acute financial condition of India, but it did not mean her ultimate good. It was simply replacing the gold of India with printed paper or with the depreciated silver rupee and amounted to substantially reducing the capital wealth of India instead for mobilising it for national purposes at a most critical period of her history. Curiously enough the Government of our country has consistently ignored the Indian opinion in matters of money-policy affecting this country.

Customs revenue, Sir, through the help of which the Honourable the Finance Member purported to rehabilitate his finances, has entirely belied his expectations. So far the main deterioration factors are sugar, silver, cotton piece-goods and liquors. Apart from the fact that no real national purpose will be served by protection, if you choose to build up enormous industries unduly sheltered from competition when this industrial progress and splendour are to rest upon sweated labour. To starve a whole nation to build up a few individual fortunes is not the way to build up democracy in this or any other country.

Then, Sir, the Honourable the Finance Member, in adumbrating the retrenchment schemes of his Government, has been pleased to tell us that while retrenchment has been widely adopted, no new expenditure is being incurred for the coming year. But may I remind him that the present financial crisis is not the outcome of things and events of one or two years? It has been the result of a hare-brained policy of wilful waste, extravagance and exploitation continued through years. I have only to refer the Honourable the Finance Member to the Report of the Inchcape Committee to obtain an idea of the waste and extravagance of the important Government Departments, of the military services, of the State Railways, during the last decade. Need I also remind him about the exchange muddle of 1920-21 and the abnormal and continually-expanding growth of expenditure on civil and military administrations during the last decade, resulting in heavy deficits met with Treasury Bills and culminating in continuous additions to the public debt of the country? Sir, it is some relief no doubt to find that circumstances have forced a somewhat rigid course upon the Government for the coming year, but the commitments to which they were already committed leave them no other option but that in such abnormal times. Schemes like the New Delhi Capital project, the Sukkur Barrage and the Vizianagram Harbour, occasional Royal Commissions, League delegates and League contributions year by year, Round Table Conferences year after year, prolific enquiry committees one after the other, inordinately-long State trials, unwanted and costly railway projects, numerous political subsidies and secret service expenditure, are only some out of the great multitude which have already engulfed vast resources of the country and still contemplate to swallow up large amounts to which are to be added the reckless borrowing policy and iniquitous conversion operations. In fact we do not know where all this will lead us.

Sir, the piling up of direct and indirect taxes upon the country at such a period of industrial, commercial and agricultural gloom reflects a most unwise and unprecedented financial policy. The Linlithgow Commission, which was practically a White Commission and which investigated into the taxable capacity of the Indian people, declared so many years back that the utmost limit had been reached so far as the taxation of the people was concerned. But the Government in their reckless ways have chosen to ignore the recommendations of that Commission and the people have also managed to forget all about it. The Government should lay down a clear-cut policy for their taxation schemes, as to how far they would go directly and how far indirectly in imposing their taxes, just as they are doing in the Honourable the Finance Member's own country.

Sir, notwithstanding Bengal's largest contributions towards income-tax, super-tax and customs revenue and in spite of her greatest income-producing capacity, when the people of Bengal cry themselves hoarse over the revision of the Meston Award by reason of its admitted inequity, they are told that nothing can be done during the continuance of the reforms. But that plea did not stand in the way of creating a regularly equipped province in great haste at the North-West Frontier in spite of our impending acute financial situation. And who knows that, following that precedent, a new province will not be ushered into being in Sind a few months hence, before the new constitution is actually introduced? Subvention of a crore, in addition to what we are paying for three years to come for the newly created province I do not grudge, but the Government should be more explanatory, instead of confusing, in showing all the items

[Mr. S. G. Jog.]

has reached its lowest ebb and it is not enough to make an yearly feat of accountancy by making a sort of balanced Budget showing both sides. What we have to find now is the taxable capacity of the people before you tax them. That is the point to which I would very much like to draw the attention of the Finance Member, and before he launches any programme of taxation, he ought to revise and review the situation from this standpoint. As I have already said, it will be unfair to criticise the Finance Member for the unfortunate position in which he finds himself. He has inherited a legacy of a prodigal son from his predecessor . . . . . .

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

Mr. N. M. Dumasia (Bombay City: Non-Muhammadan Urban): Mr. President, the general discussion on the Budget statement involves more or less a repetition of what the previous speakers have said and covers the same ground, and what the previous speakers have said is the repetition of what they were saying in previous years without creating any effective impression on the Honourable Members on the Treasury Benches. I, therefore, do not propose to say anything on the need for retrenchment, for it will fall on unheeding ears, or indeed on the inability on the part of the people to bear this crushing burden. An eloquent testimony to this is supplied by the results of the abnormal taxation of November last which has failed to bring that revenue to the Government which they expected it would produce, while it has reduced the purchasing power of the people. We are told that we are sharing the effects of the world depression. That may be so. But we are suffering from the unpreparedness on the part of Government to meet an unparalleled situation that has arisen. The fall in the prices of commodities to which our misfortune is attributed is the result of the Government's not heeding the wise saying, "Cut your coat according to your cloth" and the refusal to read the signs of the times. One of those signs is the five year plan of Soviet Russia. That powerful factor in the revolution of economic conditions of the world is still ignored. The fall in the price of wheat due to dumping by Russia might any day be followed by a fall in the price of cotton when Russia is ready in a year or two to dump bales of shortstaple cotton which will specially compete with India.

Mr. N. M. Joshi: You have got your cotton duty.

Dr. N. M. Dumasia: That cotton duty will not in any way be effective as we have seen in the case of other commodities and it will not compensate for the loss of foreign markets to India. If Government refuse to take a leaf out of Soviet Russia's book and adopt a five-year plan, and fail to help to organise Indian industries and agriculture, the mere piling up of taxation, an artificial exchange rate, and the manipulation of currency will not save the situation but ruin the country. The Honourable the Finance Member referred to the distressing feature which is ruining the prosperity of Bombay. He characterised it as a self-inflicted wound; these wounds have not been inflicted by friends but by enemies of Bombay. Some of them, for their own gain, are out to ruin Bombay so that in the fall of Bombay they may rise. The situation is really painful. Every patriotic citizen must do his best not merely to condemn but to suppress the movement which is eating away the vitality of the City and is causing irreparable loss to industry and commerce. But I cannot help remarking that

the step-motherly interest of the Government of India allowed the disease of discontent to be chronic by delaying measures of relief from the unfair excise impost which weighed heavily on the City for a number of years, and protection to an important industry on which the prosperity of the Presidency depended.

Then, Sir, there was the mill strike and there was picketing of mills. But the Government of India refused to make picketing illegal. It is possible that if they had taken steps, then perhaps the Ordinances against picketing would not have been necessary and the task of the Bombay Government would not have been so difficult as it is today.

Mr. N. M. Joshi: It is picketing which is helping you now.

Mr. N. M. Dumasia: What we require is help of the representatives of labour, including the Honourable Member, Mr. Joshi, to put down disorders. That help in which Government rely is not forthcoming and that is the tragedy of the situation. My Honourable friend Mr. Joshi attacked the capitalists. If anybody has less reason to attack the capitalists, it is my Honourable friend. For, were it not for the capitalists, Bombay would not have been built and labour would not have been flourishing and my Honourable friend Mr. Joshi would not have been provided with funds to carry on his social service work. But these are not days of gratitude. The Honourable the Finance Member referred to the improvement in prices of some of the popular scrips on the Bombay stock exchange. These prices, I regret to say, are not evidence of returning prosperity, for which we all hope and pray. They were unduly depressed by the invasion of bears and the wave of pessimism that swept over the country; and the recovery in prices is only due to the fact that the concerns are in the hands of able hands and were these concerns controlled by an efficient Government, such as ours, they would have gone the way of the present Government finances. The Honourable the Finance Member then instanced the recovery in the price of Tata Iron and Steel Company's ordinary shares, 80,000 of which are held by a Syndicate as a speculative counter. But the real position can be gleaned from the fact that the 7 per cent. preference shares of the Company, on which there is an accumulated dividend of Rs. 50, are quoted today at Rs. 45. This shows the dire stress to which our beautiful city is reduced. There is no confidence, there is no money, and in spite of the protection which the Government have given to the company, and for which they deserve our thanks, the shareholders have not been benefited in the shape of dividends. I hope the Government will enquire into the causes of the dire distress that is prevailing in the city. If today Bombay had been in a happy condition, the finances of the Government of India would not have been reduced to this dire state. But the policy of the Government is to kill the goose that lays golden eggs. Sir, my Honourable friend Mr. Joshi said that the limit of income-tax should still further be lowered. My Honourable friend has been absent from India for a very long time. He has been attending the Round Table Conference; he has been attending the Labour Conference and so on, and so he is not in a position to know the distress in which the small salaried men are placed today. To tax an income of one thousand rupees a year and to give it retrospective effect has created distress which, if Mr. Joshi knew, he would not have advocated the lowering of the income-tax limit still further. That attack on capitalists comes with ill-grace from Mr. Joshi. Bombay is today made by

[Mr. Lalchand Navalrai.]

make a real attempt, a true attempt, a faithful attempt, they should first apply the axe very effectively to the higher officers both in respect of the reduction of their number, as also their salaries. No retrenchment has virtually been made in regard to the higher officers. When we ask that at least one Member of the Executive Council should be reduced, the reply promptly comes from the Treasury Benches: "Oh, it is impossible". In like manner, it has been suggested that some Secretaries and Joint Secretaries should go, but nothing has so far been done. Therefore, Sir, it is quite necessary that if Government are really serious about effecting economy in the administration, if they are serious to meet this heavy deficit, they should thoroughly overhaul the existing system of administration and apply the axe first at the top instead of applying it at the bottom as they have done now.

Then with regard to the question of income-tax. My Honourable friend the representative for Labour said that the richer people are not taxed to the limit that they should be but when I asked my friend how much tax he pays, he made no answer. I do not say that there should be any tax whatever upon the poor people; but I do maintain that the richer people also should not be taxed to such an extent that they may feel the same difficulty.

Turning back to retrenchment, there is an invidious distinction made in the cut of the salaries of the higher officers. It is no doubt professed that the cut is uniform, but as a matter of fact it is not so. The lower paid people only have to pay 10 per cent., while the higher paid people get free from the surcharge on income-tax and thus pay only 5 per cent. by way of retrenchment. Therefore, I suggest that the retrenchment should in reality be made uniform in the case of both the higher officers and the lower so that the amount realised might be a substantial source of help to meet the deficit.

Then another thing which I want to point out is with regard to the inconsistent position of the Finance Department in allowing a subvention of one crore of rupees to the North-West Frontier Province during Government's financial crisis. Sir, I do not grudge my Muhammadan friends a separate province. . . . .

An Honourable Member: There are Hindus also there.

Mr. Lalchand Navalrai: I am just coming to Hindus. So far as my Muhammadan friends are concerned, I do not grudge them a separate province, but I do say the Hindus do not require a separate province. They were given no voice in the matter and not allowed any part in the proceedings of the Round Table Conference. But as I said in the beginning, while I do not grudge my Muhammadan friends a separate province, I should like to point out that they must stand on their own legs; they cannot borrow legs and then stand to carry on a province independently. Now, what do we find is their financial position from the facts and figures? The income of the North-West Frontier Province is about 66 lakhs only, and with this income they cannot certainly carry on the administration of the province. That is quite certain, and now the Central Government propose to give a crore of rupees subvention. But I do not see any justification for it and the Government have not given any reason for giving this subvention.

An Honourable Member: They are getting it now.

Mr. Lalchand Navalrai: Yes, they are getting it now because that province is centrally administered; when it is centrally administered, Government funds do belong to that province also, but I say, Sir, it is entirely wrong in principle to give any such subvention, to make it run separately because it will lead other provinces also to make a similar demand. . . . .

Mr. B. Das: I want a subvention for Orissa.

Mr. Lalchand Navalrai: But the Government will then get up and say that they cannot do it, they are bankrupt. I therefore do not see any reason whatsoever for giving this subvention. Let me now read a small portion from the speech of the Honourable the Finance Member in connection therewith. He says:

"In fact, the problem of fixing the subvention on a fair basis just at the present time of economic disturbance has been one of great difficulty. In fact, had the financial conditions alone to be taken into account, one would hardly have chosen the present time for fixing up a subvention; on the other hand, it had to be done".

I for one cannot understand why it had to be done. That means that, without any rhyme or reason, they propose to give this subvention. This is not right. Apart from that, as I said, it will lead other provinces also to demand similar subventions. For instance, the Andhras have been agitating for a separate province. (*An Honourable Member*: "Sind?") Yes, Sind has also been crying, but I am not going to say anything on it now because the whole question is *sub judice*, and secondly the conditions prevailing in Sind are different. Therefore, I would not like to dwell on the question of Sind for the present, but I do say that it is a bad policy to give subventions and make the people divide among themselves; it is certainly a very bad policy.

Further, the Finance Member says that a sum amounting to 66·14 lakhs drops out of the Government of India's receipts representing the revenue of the area of the new Governor's province; it does drop out, but that is the very reason for not giving this subvention for separation.

Then there is the question of Orissa and several other provinces. By giving this subvention, Sir, you are laying down a bad precedent. Everybody will come up to say, "I want to be in a separate province, I want to have my own Governor and my own Government" and so on, but, Sir, this is a short sighted policy.

Then reverting to the question of bringing about peaceful conditions in the country, I submit that it is high time now that the advice of Lord Irwin, which he has recently given, be taken note of by the Treasury Benches, in order to advise His Excellency the Governor General to act up to it. I will give the utterance of Lord Irwin in his own words.

Sir, he recently said that:

"It should be observed that the political aspirations of India were the national outcome of human instinct and the desire to manage their own affairs."

He asked the British people to understand that and sympathise with Indians. Lord Irwin further added that Governments usually rested upon the consent of the governed, and force never solved any political problem. . . . . .

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

[Mr. Nabakumar Sing Dudhoria.]

of expenditure for that province, because apart from a huge sum on Watch and Ward on the civil side, there is shown about one crore and over on the Watch and Ward non-voted under the political head. Then there is also no credit shown on the military side for the transferred Public Works Department from the military to civil works, just as the Dehra Dun Staff College transfer has not been credited to the military side.

In conclusion, Sir, I have only to say that the crisis through which our country is passing at the present moment must not be construed as a passing phase. The acute financial depression in the country coupled with the widespread acute world conditions is most desperate and discouraging no doubt. To this is to be added the prevailing political discontent and distrust and Government's most reactionary policy in the preservation of law and order reacting prejudicially on the present financial situation of the country. All this that is passing before our eyes, Sir, is the reflection of the world spirit, and India has not escaped and cannot escape from the political and economic influences which the Great War and the Peace of Versailles have been exerting on all countries. The old economic equilibrium of the world has been radically altered. Patchwork remedy will be no solution of the present financial problems. Comprehensive schemes for reforms in the best interests of the people are really needed now. All financial administrations, however well-meaning, honest and efficient they may be, are bound to collapse, unless there is sincere and substantial co-operation in their management between the rulers and the ruled.

Mr. Lalchand Navalrai: Sir, the picture of the Budget that has been presented is indeed very dismal and gloomy. A clear deficit of 11¼ crores has been brought out. Another disappointing feature is that the deficit has arisen from the fall in the imports and exports of the country. The decrease in imports and exports is just by one half. Foreign textiles have dropped from 49 to 15 crores, and sugar from 15 to 4 crores. I do not propose to say that the Finance Member is to blame for it. On the contrary in the situation in which he is placed and in the way in which he has to meet with the difficulties before him, I do not think I should quarrel with him for having brought out a deficit Budget. But I do quarrel with the very system of administration which is responsible for this deficit. It has been said that the deficit at present is due to world-wide causes and to depression all round. That is true; but one important factor has been missed and that is this: it is true that the world depression is responsible to a great extent; but it cannot be forgotten that it is the Indian political situation and Indian political conditions that are also responsible for this deficit. At present what we find is that there is no peace in the country; there is turmoil all round; and in that condition do you expect that the trade, the commerce and industries—even agriculture—will increase? Is it not therefore very necessary to emphasise this point? It is high time now that the Treasury Benches should take the lead in this direction and press upon the Cabinet to cry a halt in the present policy and not to rule the country by Ordinances, but by the ordinary law. Not only have these Ordinances superseded the ordinary law, but they are being applied in such an extraordinary manner that I would call it simply inhuman. Again what is the real situation? It is not the Legislature that legislates, but it is the Governor General who issues the Ordinances instead: and in whose hands is this power given? Is it in the hands of the Governors of the Provinces? No. The power has been decentralised and

given absolutely into the hands of the District Magistrates, and through them to the police. At present the conditions are so deplorable that it is very distressing to see them. Under these Ordinances orders of all kinds are passed. We used to condemn the provisions of section 144 of the Criminal Procedure Code, as being too wide—under which the District Magistrates could issue orders against anyone to do or not to do anything. But what happens now? Orders are now issued to the effect "Do not go to a particular street; do not go for a particular purpose, and so on and so forth". The orders are given by District Magistrates; and the Government do not know them before they are promulgated. And when we come here and put questions about them, they say all is in the hands of the District Magistrates to do as they like because the Ordinances give that unlimited power. Will the situation which is thus ruling at present revive trade or will it come to the help of the Honourable the Finance Member to balance his Budget? I submit not. And unless and until, along with the world-wide depression conditions the Indian political problem is reckoned with, I submit there will be no budgetary solution for many years to come.

So far as this Budget is concerned, at the time the Emergency Finance Bill was presented, the anticipations of the Finance Member were that there would be a surplus in the coming year to the extent of 5½ crores. At that time, when taxes were being imposed, we said the taxation had already reached the taxable limit and there should be no further burden imposed. We were then told that there was a hope that these taxes would be removed after a year or two. But what do we find now? We are distressed to find that the surplus which is now being estimated is only 2 crores and 35 lakhs. I submit even this is only a pious hope; and just as the Finance Member has been disappointed in his forecast, until these conditions that I have pointed out are tackled, there will be no improvement and no surplus, but the Central Government will move further and further in the direction of bankruptcy.

Another consideration to be borne in mind in this connection is with regard to drastic retrenchment. So far as retrenchment is concerned, the figures show that up to now there has been retrenchment on the civil side to the extent of 183·67 lakhs, whereas the figure recommended was 209·18 lakhs; and on the military side retrenchment is proposed to be effected to the extent of 237·61 lakhs only: the total comes to between three and four crores of rupees. This latter figure also is less than what was recommended. I cannot understand why even in this retrenchment problem the recommendations of responsible committees should not have been accepted *in toto*. When the purpose of the Retrenchment Committees was to investigate into this question carefully and they have actually done so, I think it was wrong not to accept all the recommendations that were made. But apart from that, is this retrenchment going to meet with the present financial difficulty and stringency? The question is not merely cutting down the salaries of the subordinates, but much retrenchment is necessary in the case of higher officials of all kinds. First of all, there must be curtailment of the numbers. It is proverbial that the administration in this country is very top-heavy. The other day when I said that the subordinates formed the backbone of the administration and that they should not be disturbed, a retort came from the Leader of the House that the backbone cannot do without brains: but when you have a top-heavy Government with an over-burdened brain, both the brain and the backbone will certainly break. Therefore, Sir, if Government intend to

[Mr. T. N. Ramakrishna Reddi.]

1927, the Honourable Members on this side of the House have been impressing upon the Government the necessity of cutting down military expenditure and thus living within their means instead of resorting to additional taxation, and every year we have been given a reply that not a single soldier or sepoy could be cut down and not a single rupee could be deducted without endangering the position of the British Empire in India. Even though there have been disarmament conferences and other countries of the world have been trying to reduce the burdens on armaments as much as possible, yet in India they have not moved their little finger in that direction. Now, they have to face this great emergency along with other nations of the world. Now they are forced to the necessity of reducing at least to a little portion, and not to the extent they should reduce. In the matter of Army expenditure, for example, there has been a great waste of money. The pay and allowances of the fighting forces came to 18 crores, whereas the whole of 34 crores has been spent on the administrative and the commissariat departments. I shall refer to the waste going on in one department, namely, the Army Medical Department. I will only quote the words of one of the members of the Army Retrenchment Committee, who did such good work with conspicuous ability in that Committee. Mr. Ramaswami Mudaliar, speaking not very long ago, said with regard to this side of the expenditure:

"Retrenchment Committee went to Calcutta and paid a surprise visit to the British Military Hospital. Scores of beds had been provided for but when they went there there actually were not more than 17 patients who were supposed to be sick. He himself did not come across more than two people who were actually in bed. Others, they were told, were convalescing. There were five superior medical officers in charge of 17 patients, Majors and Colonels who drew their pay according to their rank with an organisation of subordinate medical officers and a vast number of nurses, orderlies and all other appurtenances which went to equip a proper hospital .....From a series of investigations, they came to the conclusion that so far as the military medical services were concerned there was over staffing in every place and there was immense scope for retrenchment."

That is the case with each and every department on the administrative side. I do not want to weary the House by quoting other instances of extravagance because it would take a very long time, but I quote this one as an example of the amount of waste that has been going on all these years, and yet the Government were not able to retrench by a single pie. I am not talking of reducing a soldier or a sepoy. Even taking the expenditure on the administrative side, there was so much scope for retrenchment all these years and yet they would not reduce it by a single pie. Then, Sir, a portion of the Army is also maintained for Imperial purposes. As has been said by Lord Curzon in his introduction to the "Indian Corps in France":

"The Indian Army, in fact, has always possessed, and has been proud of possessing a triple function, the preservation of internal peace in India itself; the defence of the Indian frontiers; and preparedness to embark at a moment's notice for Imperial service in other parts of the globe. In this third aspect India has for long been one of the most important units in the scheme of British Imperial defence, providing the British Government with a striking force always ready, of admirable efficiency, and assured valour."

In this time of national emergency, the Government should ask the Imperial Government to contribute a share to the Army expenditure.

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

The Assembly then adjourned till Eleven of the Clock on Thursday, the 10th March, 1932.

SECRETARIAT MAY

LEGISLATIVE ASSEMBLY

Thursday, 10th March, 1932.

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

THE INDIAN AIR FORCE BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Mr. G. M. Young (Army Secretary): Sir, I move that the time appointed for presentation of the Report of the Select Committee on the Bill to provide for the administration and discipline of the Indian Air Force be extended to the 10th of March, 1932.

The motion was adopted.

Mr. G. M. Young: Sir, I beg to present the Report of the Select Committee on the Bill to provide for the administration and discipline of the Indian Air Force.

THE GENERAL BUDGET—GENERAL DISCUSSION—*contd.*

Mr. President: Order, order. The House will now resume general discussion on the Budget.

Haji Chaudhury Muhammad Ismail Khan (Bakarganj *cum* Faridpur: Muhammadan Rural): Sir, the Budget presented by the Honourable the Finance Member is not at all convincing. Last November when he presented the Supplementary Finance Bill raising several taxes, it was urged by the non-official Members of this House that these increased taxes would not yield the revenue that Government were expecting from them. It has come to be true now. There is always a limit upto which the taxes are flexible and may be raised with equanimity, but if they are raised beyond that limit, it will always result in diminishing returns. The surplus at the end of 18 months was shown at 5 crores only a few months ago, but within these last six months that surplus has come up to 2½ crores. I am positive, Sir, that by the end of another two or three months the surplus expected on the 1st April, 1932, will not only be nothing, but will produce a further deficit by a few more crores. Sir, the present stage of financial crisis can only be averted by drastic retrenchment at the top and not as the Government are trying at present, at the bottom. Sir, the retrenchment effected up till now has not affected the post of a single British Imperial Service Officer either on the civil or on the military side. If the present Administration thinks that by the so-called retrenchment of Indian subordinates only they will be able to tide over the difficult times, they are absolutely mistaken. This sort of petty and unfair

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): I did not intend to take part in to-day's discussion as I wanted to have my say to-morrow, but as no one has got up, I have chosen to rise in my place.

Mr. President: The Honourable Member is wise.

Mr. T. N. Ramakrishna Reddi: I think this is the only occasion when a Budget speech has been delivered without at the same time being accompanied by its counterpart, the financial proposals for taxation. So, the discussion to-day appears to be very bald and bereft of the interest which usually attaches when financial proposals accompany the Budget speech.

Sir, the Budget speech has given the financial position of this year, as also the estimates for the coming year. It may be that, as the Honourable the Finance Member has no necessity to elaborate financial proposals at this stage, he has given us a detailed picture of the budgetary position this year. I may at once say that his Budget speech is a very lucid one in the sense that he has clearly given us a picture of the financial position which even a layman like myself, who has not dabbled in financial matters, can easily understand, and he has not camouflaged the figures so as to make them too complicated for ordinary minds to comprehend. At the same time, I must give expression to my sense of disappointment at not finding any relief given to the poor taxpayers in the sense of reducing some of the taxes that lay heavily upon them, even to the extent of cuts carried by this House on the financial proposals of last November.

Dr. R. D. Dalal: Sir, there is no quorum.

(The number of Members present in the House having been counted.)

Mr. President: There is a quorum.

Mr. T. N. Ramakrishna Reddi: Sir, in the face of so much additional taxation and in the face of retrenchment carried out we expected that some relief would be given to the taxpayers, but I am disappointed. As regards the Budget, I am told that in the General Budget discussion we may ramble from China to Peru without being called to order, but I do not propose to take upon myself any such duty, but I will confine myself to only two aspects of the Budget speech, that is to say, the effect of the new taxes that were imposed last October, and also the retrenchments that have been carried out by the Government in the civil as well as the military departments.

With regard to the first point, that is to say, the effect of the new taxes, we find from the Budget speech that the import duties have very much affected the imports of articles like cotton piecegoods, sugar and other articles, and the value of all the imports for the last ten months has gone down considerably to about Rs. 105 crores, whereas in the same period last year it stood at over Rs. 200 crores. The greatest fall in the imports is in sugar, silver and cotton piecegoods. There has been consequently a great fall in the customs revenue of the Government. In the imports of sugar we expect a fall of Rs. 108 lakhs, and in cotton piecegoods a fall of about Rs. 9 crores. But there is a silver lining in this cloud. These import duties are in the nature of protective duties, and so, they have given a great impetus to the cotton mill industry in this country and also to the production of indigenous sugar. These two industries have greatly benefited by these import duties which are in the nature of protective duties. Hence we do not feel very sorry over the considerable fall in the

imports of sugar and cotton piece-goods into this country. The Budget also reveals the fact that in some cases, for instance, articles like salt, kerosene oil, betel nuts and spices, the Government have realised much more revenue than what they expected. Thus, the Honourable the Finance Member comes to the conclusion that during times of emergency the Finance Member has only to put a little additional pressure, if he wants more revenue, on such commodities as the masses use. He says:

> "A few annas per head from 300 millions is the most effective course, whereas attempts to extract heavy taxation from a limited class seem almost to have reached their limit."

This opinion of the Honourable the Finance Member has also been shared by two capitalist Members from Bombay, and when my Honourable friend Mr. B. Das proposed that these capitalists, who have gained by these protective duties, must be made to contribute some more revenues to the relief of the poor taxpayers, one of them jeered at him.

Sir, the taxation in India of the poor people has reached the breaking point. The poor people have to use articles of necessity if they must live at all, and somehow or other they have to purchase those articles of necessity, and thus pay extra revenue to the Government. But that is no reason for any Government to press upon them more and more heavily. Not only do they contribute by using these articles of necessity, but they have also to use such articles as cotton piece-goods, sugar and similar other things. Even there it is the consumer that pays all the burden of additional taxation. My Honourable friend from Bombay with a certain amount of glee and satisfaction said that it is the capitalist classes or higher classes that have been contributing much of the revenue to Government. For instance, he asked us to note that they have been contributing over 50 crores in the shape of customs and 18 crores in the shape of income-tax. It is very difficult to follow that this amount has been contributed only by the higher classes. As a matter of fact, it is the poorer people, the masses of the people in India, that contribute the additional taxation even with regard to these imported goods. The Government collects import duties at the port and the merchants increase the prices of these articles to that extent, and it is ultimately the consumer and the masses that contribute this revenue also. So my friend cannot take pride in the fact that it is only the higher middle classes that contribute this huge revenue. Thus, the dictum of the Honourable the Finance Member that, whenever we want additional taxation, we have simply to turn the screw a little more on the articles of necessity, is not a very sound one, because it is the poor man who has to bear the burden ultimately.

5 P.M.

Now, we shall take up the other point, that is, how far Government have been able to carry out retrenchments in the various departments, both civil and military and thus lighten the burden on the tax-payers. With regard to the Military Budget, in the present year, it stands at the figure of 52 crores. Now, in his speech the Honourable Member from Bombay has stated that the Government had begun to live beyond their means, not this year or last year but as early as 11 years ago, and they have been consuming 56 crores of rupees over their income during this period of 11 years. I have only to correct him by saying that it is not 11 years, but from the year 1927 or 1928 that the Government have begun to live beyond their means, and within these few years they have consumed to the extent of 56 crores over and above the normal revenues. Ever since

[Haji [redacted]udhury Muhammad Ismail Khan.]

retrenchment of subordinates is only multiplying the number of unemployed Indians and fanning the present unrest in the country. The retrenchment, I wish to see—and I am positive it is what this House wishes to see—is that the cut in salaries should be fixed at a graduated scale irrespective of the surcharge on income-tax ranging from 10 per cent. at the bottom rising upto 30 per cent. at the top. Sir, there is no other country in the world where officials of the State are paid such princely salaries as are paid to the Imperial Services officers in India, and if even in this present state of financial stringency Government cannot properly tackle the problem, being afraid of the bureaucratic ire, I think they should make room for others who would be able to make the Imperial Services officers feel that they are public servants and not public masters (Hear, hear) and that they should accept such salaries as the country can pay and not demand what they think will keep them like princes.

Then, Sir, in coming to the Army estimates, I find certain remarks made by the Honourable the Finance Member which appear to me to be astounding. The Army estimates have been brought down to the level of 46½ crores in the Budget estimates for 1932-33 only by deferring some of the expenditure to future years when the Army estimates are expected to swell up again to a very high figure. This House cannot, with equity and justice, commit the future Assemblies to Army expenses which will accrue thereafter due to such deferring of expenses.

Next I would like to draw the attention of this House to the question as to why this country should be an independent member of the League of Nations and spend 12 lakhs of rupees a year. May I ask the Treasury Benches what earthly benefit this country has derived as an independent member of the League? Sir, it is a misnomer that the country which is solely dependent for its internal administration on a handful of British officials has been given the honour of being an independent member of the League consisting only of independent nationalities. I ask the Honourable Member whether it is or it is not a fact that but for India's membership of the League, these 12 lakhs of rupees would have to be borne by the British tax-payers, as otherwise Great Britain could not have retained a special vote on India's behalf to be utilised to the best advantage of Great Britain. It is in other words an Imperial charge, and therefore it should be transferred to the British Exchequer from Indian revenues. Sir, before I conclude, I wish to give the Government a warning that, unless the present system of administration by Ordinances is changed in the near future Government will realise that not even a quarter of the Customs' revenue expected will come to the Indian Exchequer. The more you administer repression, the stronger will be the boycott not only of Lancashire goods but of all British goods, and the lesser will be the revenue from the Customs. I would therefore request the Government to change the present policy of repression if they desire to save themselves and India from financial bankruptcy and ruin. Sir, I am alarmed that the Honourable the Finance Member indirectly hints that if further taxation is necessary, he will fall upon the poor man's salt and kerosene. I do warn the Government that the proverbial camel's back is already nearly broken and it cannot afford to carry any more burden. I hope Government will look to any other source of revenue but will not crush the poor peasants. The Honourable the Finance Member may think that it is only a few annas more, but he should not forget that the average income of an Indian is less than 2 annas a day. With these few words, I conclude my remarks.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir I do not propose to follow previous speakers in either congratulating or sympathising with the Honourable the Finance Member on his Budget speech. All I have to say is that I listened with rapt attention to his masterly exposition of the financial position of India and the able way in which he untwined her financial skein and when he had finished I felt I knew more of finance than when he started and I said to myself, "Thank God, Sir George Schuster is at the head of the Finance Department in India" and not his critics on the opposite side who, posing as specialists, turned out to be superficialists in Finance matters. Sir, the Hononurable the Finance Member's speech made two marked impressions on me. One was his intense passion for making promises and the other was that he appeared to be suffering from an acute attack of retrenchmentitis—a Budgetary disease. I trust he will not be charged with breach of promise when the 10 per cent. cut is to be restored at the promised date. I hope he will give this House an assurance on this point in his reply. As regards retrenchment, I am afraid it has become an obsession with the Honourable Member and I have not the slightest doubt that for this reason he is today the most roundly hated man in the East. Sir, when the Finance Member presented his Emergency Finance Bill last September, he indented too heavily on the loyalty and patriotism of his public servants and too lightly on the public. He is particularly guilty of this in accepting the ruthless retrenchments advocated by those hydra-headed bodies called the Retrenchment Sub-Committees who saw red and downed the public servant to save the general public. We know he imposed certain taxes on capitalists and on the poorer public but there seemed to be a want of courage on his part to impose adequate taxation on the general public. Had he resorted to a one anna extra charge from the public, say, for instance, on salt, he would certainly have met all his requirements. Sir, in making these remarks my memory goes back to the days when Sir Basil Blackett presented his first Budget, and this eternal question of salt came up before the House and it was for days fed on it—not in the form of sodium chloride but odium chloride. Most of those speeches were accompanied with quotations from the Holy Bible. I do remember, Sir, at that time I also resorted to a couplet—a transposition from the Scriptures of the quotation "Ye are the salt of the Earth but if the salt hath lost", etc., and which I feel I can aptly apply to the present Honourable the Finance Member:

> "Ye are the Members of the Assembly
> But, if the Budget hath a deficit
> Wherewith shall it be balanced
> Except it be salted."

In other words I should like to see his future Budgets more salted and less sugared and spiced.

There is one other point to which I should like to refer and that is the collection of income-tax. On the belief that it takes a thief to catch a thief I submit that the Finance Member would be able to collect more money from this head if he were to employ 500 Banyas to examine the accounts and books of Banyas. If that were done, I do believe we would not hear any more of deficit Budgets.

[Sir Henry Gidney.]

Another point I would like to mention is this. The Finance Member referred to duty on spices and sugar. I am afraid in his taxation on betel-nut he forgot that there is another means by which he can swell his revenues and that is by imposing a tax on Pan.

I now come to the subject of the Army. I was glad to know from the Honourable Member that there has been a steady and marked retrenchment in military estimates. I hope, however, this has not been effected at the sacrifice of the safety of the country by reducing the strength of the forces.

With these preliminary remarks of a general character, I come to what I may call the main theme of my speech, which refers to Indianisation of the services, as it applies to the community I have the honour to represent in this Honourable House. Sir, on various occasions and at every Budget Members on the opposite side have found it necessary to make remarks on the position the Anglo-Indian community occupies in the various Government serivces. These charges of preferential treatment have been made, I admit, in good faith and in the belief they are true. Sir, I cannot subscribe to the charge that the Anglo-Indian community is the pampered community of Government or that it is in receipt of preferential treatment. Now, Sir . . . . . .

Mr. B. Das (Orissa Division: Non-Muhammadan): We are discussing the General Budget and not the Railway Budget.

Lieut.-Colonel Sir Henry Gidney: May I ask the protection of the Chair from these interruptions for I desire, may be for the last time, to place the cause of the community dispassionately, squarely and reasonably before the House, and I hope I shall not only dispel these misconceptions but merit the support, recognition and sympathy of the opposite Benches.

Mr. President: Order, order.

Lieut.-Colonel Sir Henry Gidney: I thank you. Sir, I shall not weary the House by detailing the history of the public services rendered to India by the Anglo-Indian community. A brief reference to only three Services, the Railways, Telegraphs and Customs and our services to Indian States will, I am convinced, impress every Honourable Member in this House with the great and abiding part the Anglo-Indian community has played in the commercial and industrial development of India. Every page of Indian history scintillates and testifies to such services—both military and civil. Why, it was that brave Anglo-Indian telegraphist Brendish who saved this very city, Delhi and I feel sure no one sitting on the opposite side will deny us this service and credit nor will it be disputed by Government. I claim without hesitation or fear of contradiction that the Anglo-Indian community helped to lay the foundations of the British Empire in this country and I challenge any one to deny this. With such a record of service, I shall now ask this House, especially my friends on the opposite side, to take their minds back to the early pioneer developments in India nearly a hundred years ago when the first Railway sleepers and first Telegraph wire and poles were being laid in this country. It with the help of the brave Indian village labourer that the Anglo-community on small salaries cut their way through the virgin

forests of India and laid the Railway and Telegraph systems which function today, and stood exposed to the ravages of cholera, malaria and small-pox which were uncontrolled diseases then. It was these pioneer workers—Indians and Anglo-Indians who can rightly be called Empire builders—not those who today are clamouring for these jobs and disputing our rights. Sir, I ask my friends on the opposite side to be reasonable and to realise that when these services were being developed, young Anglo-Indian boys left their schools and higher education and entered these Services. Some of these very lads, now old men, and senior servants in the Railways, etc., by virtue of mature experience which they have acquired by long years of service, do occupy some of the higher paid appointments which have been ungenerously used by the opposite Benches as evidence of preferential treatment and incorrect percentages of employment. Sir, I am sure it is not the serious desire of Members on the other side to deprive such members of my community of these few higher paid jobs. If they do, it will amount to nothing else but expropriation of our jobs and this cannot be allowed. It may, however, be some satisfaction to my friends to know that even these few jobs, or at least 50 per cent. of them, will soon be lost to us, say, in the next 10 years owing to superannuation, and then they will obtain their object, *i.e.*, these jobs, which for years they have striven to take from us. I feel I must bring this alarming position of the community to the serious notice of the Government and for the consideration of the next Commerce Member. I ask, is it right? Is it generous on the part of my friends on the opposite side to throw those few jobs into my face in this ungenerous manner and magnify their importance and exaggerate their comparative percentages without any specific details? The true position is, we hold 14,000 jobs out of 800,000 jobs on Railways—all subordinate appointments. Of these 4,000 are upper subordinates' jobs carrying salaries from Rs. 200 and over and 10,000 jobs carrying lower salaries—a mere speck in the ocean of India's employed. These 4,000 jobs are the envy of the opposite Benches and these are the highly paid jobs they hurl at me as proof that we are the favoured and pampered Railway employees. I know my friends on the opposite side will not deny the fact that these employees deserve these jobs for their long Railway service and it would not be right to replace them by juniors. Surely none will deny that the Anglo-Indian community has done good service to the Indian Services and by their insistent demands have made what was at one time ill-paid Services into such attractive employment that Indians, who refrained before, are now clamouring for employment in these Services and we are being rapidly replaced and expropriated. Let me prove this charge. Whereas but a few years ago Anglo-Indians held about 90 per cent. of the clerical jobs in the Government of India and Bengal offices, today they hold about 1 per cent. A few years ago Anglo-Indians held 30 to 40 per cent. of the appointments of Deputy Collectors, they hold today only 1 per cent. Today they hold no appointments in the Judiciary, whereas a few years ago they held about 25 to 30 per cent. of those appointments. In the Telegraph Department we held till quite recently 60 to 70 per cent. of certain appointments, now we hold barely 30 per cent., and this too has been almost closed down by the introduction of the recent competitive entrance examination and the recommendations of the Retrenchment Sub-Committee. The majority of posts in the Customs Department were held by Anglo-Indians, a service which today brings to Government about 50 crores of rupees annually. Today, this door also is being closed to

[Sir Henry Gidney.]

us. In the Railways till recently we held most of the important subordinate jobs; that is not so today. Why, in the year 1929 only one additional Anglo-Indian was recruited on Railways. During the past five years 1,000 Indians have been appointed to subordinate jobs while Anglo-Indians lost 50 jobs. In the Postal Department in which we once held a high percentage of jobs today we do not hold 1 per cent. This is how for years we have been expropriated of our jobs to satisfy the clamours of Indians to fulfil the policy of Indianisation and yet we are reckoned as Statutory Indians. I do not grudge this desire of Indians to larger employment but why do you want to jump into our shoes when they are not as yet empty?

Mr. President: Order, order. The Honourable Member should address the Chair.

Lieut.-Colonel Sir Henry Gidney: Why do not my friends on the opposite side wait till we vacate our jobs in the normal course of events and why press for our replacement? My picture is completed when I tell the House as a result I find while in 1921, there were less than 1,000 Anglo-Indians unemployed, today there are 14,000, and this is the reason why I asked for statutory economic protection at the Round Table Conference, *i.e.*, to save us from expropriation. Would you not do the same if you had been treated in this manner? Would you not entertain similar fears that I do today of my economic future in India? Why, Muslims, Sikhs, Sindhis and Indian Christians are demanding protection? Why single out the Anglo-Indian community and deny it the right of self-preservation—the right to live in its country?

Sir, cheap traffic has been made by opposite Benches of the percentages of Anglo-Indian employment in certain grades of Railway appointments on higher salaries. The House was being hopelessly misled by one member in particular who devoted the major portion of his speech to these figures. It was clearly Government's duty to correct this, but instead of help I was given a gibe when the Government Member in his speech said "Sir Henry Gidney had asked for it". Asked for what? Help, not a gibe? He knew these percentages entirely referred to those few jobs we had earned by long service and he should have explained it to the House. In not doing so, he failed the community that has never failed the Government.

My friend, Mr. Ranga Iyer, referred to certain fundamental rights I presented at the Round Table Conference and called it "fundamental favouritism". Sir Hari Singh Gour also tried to make a cheap market of it, and quoted percentages of these few higher paid jobs. I am sure Mr. Ranga Iyer, who is a sport, will on hearing me agree with me when I say that those rights to which he referred were presented on the 19th January, 1931, at the First Round Table Conference and were replaced by the claims I made in the Minority Pact Memorandum on the 13th November, 1931, and which I presented at the Second Round Table Conference. This economic claim is absolutely different to what Mr. Ranga Iyer has referred. I am sure he was not aware of this fact and he had no desire to belittle my communal demands at the Round Table Conference. The claim I presented in November, 1931, at the Second Round Table Conference was

unanimously agreed upon by the Services Sub-Committee and the entire Round Table Conference at its Plenary Session and reads as follows:

"Special claims of the Anglo-Indian community.

'Generous interpretation of the claims admitted by Sub-Committee No. VIII, (Services) to the effect that in recognition of the peculiar position of the community special consideration should be given to the claim for public employment, having regard to the maintenance of an adequate standard of living'."

Surely this House is not going back; nor will it repudiate that decision of the entire Round Table Conference. It cannot. I hold the Conference to it.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): If I may interrupt the Honourable gentleman. All that I can say is that his second memorandum read in the light of his first memorandum does not show any more difference than the historic difference of tweedledum and tweedledee. I admit he has been tenaciously pleading for the cause of his community, whose interests will not be overlooked in a self-governing India.

Lieut.-Colonel Sir Henry Gidney: Thank you very much for your assurance, but I do not admit your interpretation of these two claims.

That is the position as it stands to-day. My Honourable friends on the opposite side have advocated various means by which communal employment should be given and how communal percentages of such employment should be based—Indianisation or no Indianisation. There is one school of thought which says that communities should be employed in proportion to their ratio to the total population of India. There is another school of thought which says this should be done on a territorial or provincial population basis, and there is yet another school of thought which says this should be done on an "efficiency" basis. Let me deal with each of these three schools of thought. The All-India population basis, is, I submit, a wrong one to take in apportioning communal employment because every one of India's 350 millions is not a competitor for all Government appointments. Let me illustrate my point. I should say in the whole of India, in the Central and Provincial Governments, there are about 2 million jobs. It would serve my purpose better if I confined myself to Railway jobs as their communal totals and pecentages are better known to-day. These 800,000 jobs in all Railways which can be roughly divided into three classes—lower or menial, subordinate, both upper and lower and officials. I will not consider the official jobs because they are very few in number and are apportioned on competitive examination. These 800,000 jobs can correctly be divided into 700,000 menial jobs and 100,000 subordinates. No literary, or at the most, vernacular education is required for these 700,000 menial jobs and as the whole of educated India is in competition for them they can be apportioned communally on the total India or territorial population basis. It is true to say that no Anglo-Indian is a competitor for any of these jobs. It is also true to say that none of these uneducated Indians are competitors for the I. C. S. or Indian Audit and Accounts appointments or that the latter class of educated Indians seek menial employment because, as each Service demands a certain standard of education, competition for such employment must depend on the totals so educated; and therefore the apportionment and percentages must be worked on such totals. These 700,000 menial jobs can therefore with justification be divided on an All-India population basis.

[Sir Henry Gidney.]

But the remaining 100,000 subordinate jobs, demanding as they do a certain amount of education, can only be competed for by the educated, and such apportionment and percentages should be worked out on a total educated population basis. My Honourable friends have been demanding efficiency, as the only standard for such employment. I entirely agree, but efficiency means literacy and literacy means education, and education, in the present regimé, means education in English, *i.e.*, education above the secondary standard. If this postulate is accepted, let me develop my line of thought and demand for my community, and, to do so, I propose to confine my points to the four State Railways which were dealt with in Mr. Hassan's Report, as they supply me with accurate communal figures on which to work. These four Railways employ about 65,000 subordinates and 325,000 menials. I would solicit Honourable Members to keep these figures prominently before them while I take up the next important point with which I hope to establish my communal rights to a certain percentage of Government jobs in all Departments. I refer to English education and which is a *sine qua non* for these 65,000 subordinate jobs. An examination of the 1921 census of India shows that there are roughly about two million Indians, males and females above 15 years of age educated in English. The census also shows about 70,000 Anglo-Indians males and females over 15 years of age educated up to the secondary English standard. In fact the Anglo-Indian community is cent. per cent. educated. Of these two million English educated Indians at least half of them are educated below the secondary standard, thus leaving only one million sufficiently educated Indians as opposed to 70,000 educated Anglo-Indians as the only competitors for there 65,000 subordinate jobs. This I submit is the only real and practical measure of apportioning such jobs in all Government services and is the only one on which I demand Anglo-Indian employment—no other method can be justified if efficiency is to be your primary consideration. You cannot expect a labourer to compete for a Head Clerk's job; nor can you place a *panivala* in competition for a Station Master's job. If you demand a certain degree of efficiency, *i.e.*, of English education for these 65,000 jobs, the competition and proportion of employment and percentages must be calculated from and in accordance with the totals in India so educated and not from the total population of India, as Mr. Hassan has done and the opposite side wants. As matters stand at present, and all Honourable Members can examine the 1921 Census Report, I believe I have abundantly proved my point, *i.e.*, for these 65,000 subordinate Railway jobs, as also for all other similar Government jobs, there are one million Indian and 70,000 Anglo-Indian competitors in the field, and all proportions of communal employment should be calculated on these figures and these only. On this reasoning and these figures, the Anglo-Indian proportion for these jobs would be seven per cent. or as Mr. Hassan has correctly given me 6·9 per cent. Members on the opposite side have therefore no reason to complain; nor do I need Mr. Hassan's kindly meant sympathy. Say for arguments sake English educated Indians have increased 100 per cent. during the past decade, *i.e.*, there are two million adequately educated Indians competing to-day for these 65,000 jobs. Even then my share will be 3·5 per cent., but even this I do not receive in all Railway Departments, and certainly not in all Government Services. Indeed if I were given this percentage I could not provide a sufficient number of Anglo-Indians to fill them, for we have only about 50,000 male Anglo-

Mr. B. Das: On a point of order, Sir. I should like to have your ruling whether we can discuss the Railway Budget so extensively now. Some of us on this side will again have to reply to the points raised by my Honourable friend Sir Henry Gidney.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I allowed the Honourable Member to deal with the Railway Budget as an illustration, but it appears that the Honourable Member is concentrating wholly on railway matters. This amounts to repetition. The Honourable Member has only two minutes more, and I must ask him to deal with the General Budget instead of concentrating, as he has done, on the railway aspect of employment.

Lieut.-Colonel Sir Henry Gidney: Thank you, Sir. I have explained why I used railway totals as my illustration. I am glad to see it has had such a telling effect upon my Honourable friends on the other side, judging from their keenness to interject. I further submit that there are approximately two million jobs in all Governments in India of which one million are subordinates. If on this basis of education and efficiency, Government are prepared to give my community representation in all subordinate departments to the extent of 7 per cent., I would be entitled to 70,000 jobs in this million Government appointments. If on a 3·5 per cent. basis I would be entitled to 35,000 jobs, but I have only a total of 40,000 adult educated Anglo-Indians in my population and there are only about 20,000 Anglo-Indians employed in all Government Services to-day including 14,000 on Railways, 2,000 in Telegraphs and 750 in Customs. This works at about 2 per cent. of these appointments. It is therefore obvious that I am not in receipt of my proper proportion of jobs to-day—in short I have been expropriated ruthlessly. Efficiency has been sacrificed for political policies and wrong standards have been taken for apportioning employment of my community, and we who helped to build up these very departments are being deprived of the right to live. I realise, Sir, that nationalism will soon be the order of the day when all communities will be served alike, when we will work together as brothers. I welcome that period. But I appeal to you on the other side of the House . . . . .

Mr. President: The Honourable Member is again addressing the Honourable Members on the other side. He should address the Chair.

Lieut.-Colonel Sir Henry Gidney: I am sure no Honourable Member will deny the fact that the Anglo-Indian has served India exceedingly well, and none will disagree with me when I say if we are not employed in adequate numbers in those jobs for which we are peculiarly well fitted and have a distinct aptitude, that India will be all the poorer in the administration of such departments. And when I say this I would give this assurance to my Honourable friends on the opposite side that as loyally, faithfully, courageously and devotedly as I have served the past and present India, equally loyally, and courageously am I prepared to serve the future India. Sir, if in our allegiance to the Government of India and British we have succeeded in estranging Indians to the extent that our demands are scrutinised with jealous vigilance and even hostility, surely we are entitled to have our claims as Statutory Indians in any Indianisation scheme protected beyond dispute or challenge. Sir, I appeal to my Honourable

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friends on the opposite side not to be so ungenerous towards my community and to realise we also have a right to live and that we form an important and integral part of the body politic in India and should be given our due share in all Government appointments. No democracy, no national or federal Government worth the name can exist for long that does not protect the interests of its minority communities. This is all I ask for my community in the various avenues of Government employment. (Applause.)

Sardar Sant Singh (West Punjab: Sikh): Sir, in the brief space of 20 minutes it is very difficult to deal with many subjects that demand our attention. This is not the day to talk of communalistic inequalities in services or such like topics. Gentlemen, India is burning, and we should not be passing our time in the discussion of subjects that are not to the ultimate good of the country. Therefore, I will take up analysis of the speech of Sir Samuel Hoare delivered in the House of Commons and I will ask Honourable Members to bear with me for some time—Sir Samuel Hoare asserts that his Government was anxious for co-operation with representative Indians. If it were a fact that His Majesty's Government in Great Britain wants our co-operation, I may say in the very beginning that that co-operation we are willing to offer provided it is on honourable terms and conditions. Our demand in this country has ever been a demand for equal partnership in the British Empire and on that demand alone we have been concentrating our attention all these years. But that demand has been consistently spurned—now we have reached that stage when the offer of co-operation is being slowly withdrawn and gentlemen controlling the destines of this country are faced with a problem that is gradually assuming formidable proportions. A brief survey of the past history of the Indian National Congress will be a good reminder to the Honourable gentlemen occupying the Treasury Benches. The offer of co-operation was the consistent and persistent keynote of the Congress movement at its inception. The inauguration of the session commenced with the singing of the national anthem of Great Britain ("Long live the King."). The first Resolution on the agenda of the Congress was one of loyalty to the Crown and the British Empire. May I respectfully enquire what response was extended to the Congress? The whole history of the Congress proves that the co-operation offered by the Indians to the British was not accepted, not even looked into, the grievances that were given expression to were not redressed, till ultimately the time came when the Congress and the people along with it became disappointed. To-day, Sir, His Majesty's Secretary of State asks us to extend that co-operation. In asking for that co-operation the gentleman forgets the said response given by his Government in the past—India cannot extend greater and nobler co-operation to Great Britain than she extended at the outbreak of the Great War. As Lord Curzon so beautifully put it:

"Without any hesitation India sent her troops to fight Germany with whom she had no quarrel. Indians were not fighting for their own country or people, they were not engaged in a quarrel of their own making. The climate was entirely different to what they were accustomed to; they had to face the severe northern winter. They had never before suffered heavy shell fire, had no experience of high explosives, had never seen warfare in the air, were ignorant of modern trench fighting, and were exposed to all the latest and most scientific developments of the art of destruction. They were confronted with the most powerful and pitiless military machine the world had ever seen. They were rushed to the battlefield immediately *while the Canadian troops and British territorials were despatched to the scene of action only after further training of several months.*"

This was the co-operation offered by India. Leaving aside the contributions in money and material, the very fact that India sent the best of her sons to fight the battle not of India but of England, to save the honour of England, nay the very existence of England, should have been sufficient to open the heart of gratitude of Great Britain towards India. But what was the response? No sooner was the truce signed, hardly was the ink dry on that paper then the Rowlatt Act was flung at our face. The Punjab, my province which had contributed the greatest number towards the winning of this war, was met by martial law. The people were mercilessly thrown into prison, and made to undergo monstrous indignities obviously for the sins of having saved England from the jaws of Germany.

I will now paint a picture of those who actually served in the war, those who were enlisted in the Army under the Army Regulations of 1915 with promises whereby it was guaranteed to them that injury pensions would be granted when they became unfit for further service owing to illness contracted on or solely attributable to field or foreign service and incurable disorder brought on by performing particular duties or services in unhealthy surroundings. Under these guarantees these persons had left their country, their homes and their near and dear ones. Most of them were illiterate. When they, after their return, or the dependants of those who had died on the battlefield, applied for the grant of these pensions and gratuities and rewards guaranteed to them, they were met with frivolous objections, technical obstacles. Every conceivable obstruction was placed in their way in getting what was due to them. What happened? The claims of some of them were declared to be time-barred, others were asked to submit their applications by themselves without employing any agent or reader or relation or any of their friends to get these pensions which had been earned with their blood. This picture will not be complete unless contrasted with what happened in England. In England those persons who served in the war were treated as is shown in "Notes on War Pensions" issued by the Ministry of Pensions:

"With a view to ensuring that pensioners shall be in no doubt as to the manner in which they may obtain advice and assistance, arrangements have been made for notices bearing the names and addresses of voluntary workers and the addresses of the local offices of the Ministry to be exhibited in the Post Offices and Employment Exchanges in each area. For this purpose, cards have been distributed after the necessary entries have been made in manuscript at the Area Office.

In order that still greater publicity may be secured than can be provided under the arrangements outlined above, the Minister invites the assistance and co-operation of Committees and voluntary workers who may be able to arrange for similar notices to be exhibited in public buildings and on notice boards without any charge on the funds of the Ministry."

These are the two systems employed in two countries under the same Crown. Every effort was made in England to reach the people who had served in the war and to find out that they do not go unrewarded, but in this country the reverse process was adopted. Instead of trying to reach these people, officers were deputed who were unsympathetic, and instead of helping these people actually created difficulties in their way.

[Sardar Sant Singh.]

And today we find that most of the people remain uncompensated. My object in presenting this picture before the House is this, that here is an instance of co-operation that had been offered and offered in abundance, but with what result? The result is obvious. I know that even the pensions of those who actually served in the war have been forfeited on account of their political views, for taking part in politics. Is this the result of the co-operation? Even yesterday, in reply to a question of mine, the Honourable Members on the Treasury Benches told me that a person who had 18 years' service in an office to his credit and with a military award decorating his breast was turned out in retrenchment and there was no place for him. I ask, Sir, if this kind of co-operation cannot win the heart of the British people, what co-operation does Sir Samuel Hoare want from us? This is co-operation with a vengeance and yet the co-operation has been turned down. Today the country is being gagged by drastic Ordinances and there is a significant admission by the Secretary of State that these drastic Ordinances have armed the executive with powers to meet all possible contingencies. Well, if these powers that have been given to the executive have been used and are being used, the result is that we find the daily papers full of arrests and *lathi* charges and similar acts. Ladies and children are being prosecuted, incarcerated without any regard of sex or age. We find all this is being done in the name of law and order. I have several times given expression to my views in this House, that law has been put aside; it does not find a place in the British jurisprudence that prevails in India today. It is only order that is being maintained. I challenge the Secretary of State in his expression of opinion that these Ordinances provide a bulwark against anarchy, chaos and disorder. On the contrary, I say they are an open invitation, a cordial invitation, to anarchy, chaos and disorder. The more you resort to Ordinances, the sooner disorder will come. You are driving discontent underground. You are creating a feeling of hatred in the country that is finding ready response from impressionable minds. Those who show themselves to you to be the loyalest people and who, to use a vulgar phrase, are known as toadies in the country—go to their homes and talk to their children, talk to them and they say that the Government are rushing headlong into the abyss. That is the material on which the terrorists feed; that is the material utilised by the revolutionary. Are the Government adding to that material or taking away that material? The Government are not doing any service to the country. After all if evolution is to come, if the process of evolution is to continue, the Government must reconciliate the people, must create an atmosphere of goodwill in the country and not an atmosphere of hatred. If Government are sincere in their offer of readiness to work with Indians, I may tell them plainly that the only co-operation which India can offer is an honourable co-operation, a co-operation which is consistent with her self-respect. But if Government want the co-operation of a slave, I may at once tell them that such a co-operation will never never be given by her—Disabuse your mind of that. The time has come when it is better for the Government to revise their attitude. If they really mean to confer additional power by the new constitution on India, they should be prepared to do so in a manner which will ensure law and order in the country. By more drastic action they will never succeed and they have not succeeded in the past.

If anybody were to look fully into the character roll of the past and present Secretaries of State for India in Council, I will say without hesitation that dishonest diplomacy, autocracy, hypocrisy, insincere pledges and broken promises have characterised their careers; like devoted Christians, when they had yielded to the pressure of public opinion by giving something with the right hand, their left hand took that away, because the left hand did not know what the right hand had given, ...

Mr. B. Das: Do not include Mr. Montagu.

Mr. President: Order, order.

Sardar Sant Singh: If the same policy is to continue today in India, I am afraid it is not likely to succeed.

I would not be doing my duty if I were to omit mentioning one more matter. What is the justification for the existence of this House? Did not each Member come to the House in spite of the ban laid on the Legislatures? Did we not come to offer our co-operation? But we have been slighted, insulted and treated with contempt. Ordinances have been passed over our heads, when the Assembly was in session. When we protested, no note was taken of it. The constitutional development is going on without our being consulted. If the North-West Frontier Province is to be given a constitution, we are not consulted; if Sind is to be separated, we are not consulted; if Aden is to be brought under direct Central Government, we are not consulted. The major issues are kept away from us. Why, may I ask? If you really demand co-operation from us, may I not be justified in asking that that co-operation should be mutual co-operation and not one-sided co-operation? If you want such co-operation, I am afraid the country is not in a temper to give that. With these remarks, I resume my seat.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Mr. President, the last speaker, Mr. Sant Singh, has spoken with a great deal of feeling; but I shall try to say what I have got to place before this House in as dispassionate and calm a tone as I can command. The annual Budget is the mirror in which one can best read the features of the Government under which we are living. For some time past as we all know, the presentation of the Budget—not only of the Government of India but of the provinces—has been throughout the country arousing year after year fears and great forebodings. The present Budget is no exception, and is perhaps one of the worst and one of the dismalest that has yet been presented to the country. I do not forget that there is one Honourable Member of this House, Dr. Dalal, who takes a different view. He thinks that the Budget that has been presented to this House is full of hope and is the best that could have been presented in the circumstances. Even Sir Hugh Cocke spoke with bated breath when he said that we have to accept the position as we find it. As I have said, for a long time the country has been looking forward to the presentation of the Budget with great fears and forebodings. You will remember, Sir, the House will remember that the theme of Finance Members—most of whom were very able men, and certainly our friend Sir George Schuster is no exception to the rule—their theme has sometimes been want of rain; sometimes it was too much rain; sometimes it was war and sometimes it was peace. Sometimes want of production or insufficient

[Sir Abdur Rahim.]

production, now it is over production, now it is world depression; but throughout the politician came in for a fair share of the blame. Whatever the cause, Sir, the result has been that the Budget has never pleased the country, it has never been accepted by the people at large. Sir George Schuster is a man of great ability, as we all know, and I for one have great admiration for his profound knowledge of his subject and for the masterly skill (Applause from the Nationalist Party) with which he presents the facts in the light most favourable to his policy. He is a keen politician and he leaves no opportunity of sounding a political note in his Budget speech. He has told us not only on the occasion of the Finance Bill, but on this occasion also, that he is helpless, and that the position in which the country finds itself is due to world depression and therefore he has got to make the best of the situation. Therein lies his justification for all the various forms of taxation that he has piled on the country.

Now, Sir, let us look at the facts. The facts are undoubtedly very dismal. They tell a tale which cannot please or console any Indian. I remember the Finance Member told us that he has his difficulties. We fully appreciate those difficulties. He is not master in his own house. We know that the financial policy is laid down from Whitehall, as if the Secretary of State, sitting thousands of miles away, knows what is the exact position here and can realise what sufferings we are passing through and what is the right policy in order to better the conditions of life in this country. Sir, we had only the other day a very significant illustration of the way in which Whitehall controls the financial policy of this country. Then, we were told by the Leader of the House when he was speaking on the Railway Budget that the difficulties we are passing through are common to the rest of the world, and it is for the world statesmen to find the remedy. Have we got no statesmen in the Government of India? Is it not one of the functions of the Government of India to contribute whatever they can to the solution of those difficulties? Have they even attempted to suggest any remedy? They say—"Well, there are these world factors which we cannot control"—but surely they should be in a position to tell the 320 millions of people of this country,—"Yes, we are thinking over the problem which affects the whole world, and we have got ideas of our own, and such and such are the solutions which we suggest to you". No, they have not done so, and they have left the matter entirely in the hands of the world statesmen, which category, I understand, excludes the Government of India. Sir, this is not a position under which this country can rest in peace, and this position must be altered. I should like to know from Sir George Schuster what he would have done if he had the moulding of the entire financial policy of this country, if he was not hampered either by the Secretary of State or by his official colleagues. I am sure he would have been in a position to find out some remedy to meet the situation. On the other hand, what do you find? All they can do is to give us figures, analyse them in the way in which the Finance Member alone can do, draw certain conclusions and leave us there. Has he ever attempted to suggest that the Government are in a position to work out a programme of economic development and a programme of beneficent activities which will enhance the purchasing power of the people instead of leaving them helpless and entirely at the mercy of other countries.

Sir, the position of India, so far as her finances are concerned, is illustrated by one simple fact, and that is, her rupee is linked to sterling and only today's papers tell us that the apparent rise that there has been in the value of sterling was due to heavy speculation. We are not a country of speculators, but Europe is full of financial speculators, and to link the rupee to sterling on which these speculators operate is surely doing India no good whatever.

Sir, the Finance Bill has been already passed by certification. We can do no more regarding that, but still we have the Budget before us, and I would ask Honourable Members to concentrate all their attention on it. Government have obtained the power to levy taxes on the people and they are going on in that direction with their operations, but still we can tell the Government that they must reduce their expenditure to the extent we think is reasonable both on the civil and the military side, and then if there is any surplus from the various forms of taxes imposed, we must ask the Government to reduce the taxes. We are not without remedy, and I would ask Honourable Members on this side of the House at least to concentrate on that. We are not quite helpless because the Finance Bill has been passed.

Sir, I am thankful to the Honourable the Finance Member for the assurance he has given to the House that he will go on pursuing the policy of retrenchment. He says he will go on with it till he is satisfied that enough has been retrenched. I draw the inference that he himself is not satisfied that enough has yet been done by way of retrenchment, and we are entirely at one with him in this matter and we will go on giving him every support. I know fully well the difficulties he has got to encounter in carrying out a proper policy of retrenchment. It is, as he said, a most unpleasant task, but it cannot be more unpleasant to him than it is to us. He has given us figures showing how many people have been thrown out of employment by this policy of retrenchment, but he has not given us figures from which we can be satisfied as to the compensation that has been paid to those men who have been discharged prematurely from employment. At least, my recollection is that he has given us no figures, nor has he told us whether in making retrenchments, in retrenching posts and offices, he has pursued the method which we pointed out to him was the best. Sir, the House knows that the Retrenchment Sub-Committee, of which I was the Chairman, was composed of men, at least two of whom had considerable experience of administration in the provinces and even in Indian States. One member of that Committee is a member of the European Group, Mr. Ramsay Scott, and I should like to take this occasion to testify our gratitude to him for the way in which he supported us throughout. (Cheers.) Not only that, we had a high official, and a very able official, of the Finance Department to help us in our proceedings. We had the advantage of his criticisms, and we took full note of what he said would be the results of certain proposals of ours on the working of the different departments. I wish to assure the Honourable the Finance Member here in the presence of the entire House that while our idea has been to reduce the expenditure to the limits which we considered to be reasonable, at the same time we were anxious to see that the working of the departments was in no way prejudicially affected. I do not claim that our Retrenchment Committee has always been right. In some cases, perhaps, we have been wrong; in one or two cases we perhaps under-estimated what retrenchment could be effected, and in one or two cases perhaps we over-estimated the

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[Mr. G. Morgan.]

With regard to opium, I notice that two Governments have not taken their quota. I cannot say that I am very conversant with the arrangement made about opium except that it is a diminishing return in any case, but suppose for next year no Government takes its quota. Have we no means at all by which that quota has to be taken, or payment has to be made? I do not know what the position is. Therefore the Honourable the Finance Member may be able to explain what the position would be if all the Governments refuse to take their quota.

Now, Sir, there is one question I should like to ask with regard to table 3 of the Finance Secretary's Memorandum —I do not really understand what it means. We know that, in the case of some of these heads such as income-tax, one cannot compare the amount collected with the cost of collection, because I hold that when times are good it is much easier to collect income-tax than when the times are bad. That probably is a self evident fact, but referring specifically to column 11 and column 12, they are revenue from stamps, and cost of collection. I would ask the Honourable Member to explain the revenue of 33 and the cost of collecting 15 lakhs. It may be that it is only a book entry. It may be some system of accounting, but without the knowledge it looks rather curious that the cost of collection should be one lakh, one lakh and one lakh and then it suddenly rises to 15. No doubt the Honourable Member will be able to give the information.

Now, Sir, there was a point which my Honourable friend, Sir Hugh Cocke, mentioned with regard to the investment in Treasury Bonds, that it was very satisfactory to see that 6½ crores has been invested through the Post Office. My friend, the Honourable Mr. Joshi, I think it was, rather criticised my Honourable friend for making this remark, and said that he had made it with regard to the masses, but I think I am right in saying that what my Honourable friend, Sir Hugh Cocke, referred to was the scope for the investor who would not have been able in ordinary circumstances to invest in Treasury Bonds and I think the Government can congratulate itself on having got that amount of money from a class of investor from which it is generally very difficult to get money for investment.

Then, Sir, I would like to make a few remarks on a general subject, but which, in my opinion, is the crux of the whole position. My Honourable friend, Sir Abdur Rahim, has mentioned about the gold export. I will not enlarge on that because the Honourable the Finance Member has made it very clear, and one has always felt that sterile gold is of no use to anybody. That is being proved today. As far as export is concerned, it is bringing out gold which is in reserve, and which should be put on the same basis as if we were exporting it from the Mysore gold mines without the cost of extraction. I think there is a great deal of misunderstanding about the Finance Member's statement about war debts and reparations. I would like Honourable Members to understand that the position at the present moment is that France holds the key to the situation. We are suffering from that position. The whole world is suffering from frozen gold in the United States of America and France, which is of no use for currency or for credit, and until France and Germany come to a settlement, the position is not likely to improve. The war debts and reparations are dead; creditors cannot possibly get money out of the debtor nations now. War debts and reparations are absolutely dead, and in that connection I might

mention that the frozen German credits—my Honourable friends will readily understand what I mean, have been extended for twelve months. (*Mr. B. Das*: "Make us understand what you mean.") In itself, however, this satisfactory achievement is of little positive value since it does little more than take official cognizance of a situation which is beyond the power of bankers to alter; that is to say, they have just got to take it as it stands,—and now the position is that after France and Germany come to an arrangement, (there is no more question of debts and reparations), Germany will be compelled to repay her commercial debts, of which there are 4,500 million dollars belonging to United States of America and England alone; and until lending can be made—by short-term credits or long-term credits, whatever the countries like to give—until that begins to function, there is nothing the Honourable the Finance Member can do in this country which will put us on the basis that we all wish to be on. But I would like to emphasise that that being the position and the figures being as shown in the Budget, we have got to the limit of taxation and we must now put our house in order so that the money available from taxation, which we have got, is sufficient for the administration and the Army and so forth and if possible to reduce the administrative expenditure still further and then to reduce taxation.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, Honourable Members on this side of the House have congratulated the Honourable the Finance Member on his advocacy, and Honourable Members on the other side of the House have congratulated him on his financial ability. Sir, the fact is that the Honourable the Finance Member is a past master both in advocacy as well as in the matter of finance, and the present Budget is the outcome of that dual genius which the Honourable the Finance Member possesses, in which he has, by a dexterous painting of the light and the shade, presented a beautiful picture of the financial condition of this country—a picture which is alluring and attractive but which on closer examination dazzles us so that we begin to ask ourselves, "Are we in front of a reality or a mere vision?". Honourable Members will remember, if they will turn to the introduction presented by the Financial Secretary, that, as in the financial review of the last ten years commencing with the new reforms down to date, we have had no less than five deficit years in which the aggregate of deficits runs to over 70 crores of rupees. Honourable Members are aware of the heavy taxes levied in the wake of the reforms, and they will also recall what took place last year in connection with the Finance Bill. Additional taxation to the tune of 40 crores of rupees was a part of the programme of the Honourable the Finance Member in the Emergency Finance Bill, certified over the head of this House by His Excellency the Governor General. We have, Sir, now before us the Budget, without the Finance Bill—a unique spectacle, never before presented in the history of the Legislature ever since the advent of the new reform! We have given the supplies, or at any rate the supplies have been extorted from us under constitutional compulsion, and the Honourable the Finance Member now presents, what should have preceded his Finance Bill, his Budget statement of the expenditure for the next year! Well, the Honourable the Finance Member has himself confessed to the lack of interest which Members on this side of the House are likely to display in a barren controversy as to whether this item or that item was necessary and upon which expenditure

[Sir Abdur Rahim.]

possibilities of retrenchment. But, on the whole, I do claim that we have kept in our view strictly the policy which as I have mentioned ought to be followed in effecting retrenchment. As regards compensation, we laid down that if posts are to be retrenched, rather if certain officials are to be dismissed, the departments ought to begin with those who are on the verge of retirement, who have either earned their pensions or are about to do so, so as to cause the least hardship possible. We should like to be satisfied how far that policy has been kept in view. Another principle we laid down was that the policy of Indianisation, which has been accepted by the Government and repeatedly announced to the public, should be in no way affected by the way the retrenchment is carried out. This House would like to know from the Honourable the Finance Member how far that policy has been kept in view. In the case of those who have to be retrenched before they have earned proper pensions, we laid down that you must give them ample compensation, because it is not through any fault of their own that they have to be turned out, and men that are turned out after a certain age cannot be expected to find employment elsewhere. But, Sir, allowing for all these factors, our proposals amounted to a fairly big amount; I believe, including the Foreign and Political Department, it amounted to nearly 4¼ crores of rupees, or very near that figure. I have not been able to add up the effect of all that has been done by Government, but, so far as I have been able to do that, it really comes to less than Rs. 3 crores. Sir, we shall deal with the question of retrenchment on another occasion.

Now, let me come to two prominent features in the speech of my Honourable friend the Finance Member. One is the collapse, or the practical collapse of the purchasing power of the people, and the other is the export of gold from here to England. The collapse of the purchasing power of the people is naturally giving considerable concern to the Honourable Member, reading between the lines of his speech, but he has gone into elaborate arguments to justify the export of gold. I do not claim to be an authority on exchange and other similar questions, which will be dealt with, I am quite sure, by my Honourable friend, Dr. Ziauddin Ahmad, but let me say one thing. Whether gold is over-valued or not, it is certainly at present the international medium of exchange; and if it is good for England, which has now gone off the gold standard, to have as much gold as she can secure, surely it is good also for the people of India to preserve their gold. Sir, a reserve of gold is absolutely necessary for any country, even if it is not put into currency, and I submit from that point of view this export of gold is disastrous to the country. (Applause.)

Mr. G. Morgan (Bengal: European): Mr. President, I should like to congratulate the Honourable the Finance Member and the Finance Secretary in the Department on the way in which they have put up the various estimates in connection with the Budget. I am quite sure that Honourable Members will agree with me that there is very little difficulty in understanding the position and the many details of this Budget.

Sir, there seems to me to be one thing standing out in connection with [illegible] Budget, and that is, that we have reached the limit of taxation. My [illegible] friend, Sir Abdur Rahim, has just mentioned that, first of all, [illegible] go on with retrenchment and cut down the expenditure to the

lowest limit we possibly can. The Honourable the Finance Member has also definitely stated that the first step to deal with the position is undoubtedly to reduce expenditure. Well, to a certain extent, it has been done. The Honourable the Finance Member has stated that he is still exploring, and will continue to explore the avenues for cutting down the expenditure of the administration. Now, Sir, one thing that we may definitely say stands out prominently is the fact that on the 31st March this year we shall be adding to our public debt, Rs. 13,66 lakhs, which is the debit on the 31st March, 1932. It will be found from the figures given in paragraph 6 of the Finance Secretary's Explanatory Memorandum, comparing the original Budget for the current year with the supplementary estimates framed in September last, embodying the anticipated results from the measures referred to in paragraph 5 of the Memorandum, that 7 crores and 70 lakhs was the deficit. That was taking in the reduction of the normal provision of reduction or avoidance of debt—7 crores and 70 lakhs *minus* in 1931-32 and 7 crores 70 lakhs *plus* in 1932-33, but the actual result on revision of the estimated Budget for 1932-33 brings out over the two years a deficit of 6 crores and 57 lakhs of rupees, taking in the proposed reduction of debt in the way that is done in paragraph 6. With regard to reduction and avoidance of debt, the Honourable the Finance Member says that taking the recurrent revenue and the recurrent expenditure, there is really a surplus, but I do not think, Sir, that the interpretation of recurrent expenditure should leave out or rather take credit for that avoidance or reduction of debt of 13 crores, because after all that is an item which has to be provided for in any case, and it is as much part of our recurrent expenditure as anything else in the administration of the Government of India.

With regard to the income-tax position, I have not got the detailed figures of the Finance Department, but in a time of great depression the Honourable the Finance Member is reckoning on getting 18¾ crores from income-tax, and this is as compared with an average of slightly over 16 crores for the five years of comparative prosperity. Now that 18¾ crores is calculated on the income of the current year because we pay the income-tax in advance, so that, as far as one knows of what business has been during 1931-32, I shall be very much surprised if the Honourable the Finance Member will get that figure.

The Honourable the Finance Member has definitely stated that he has a feeling he has now got to the point of diminishing returns. I think we pointed out last year that he was almost certain to get into that position, and this has proved to be the case. The Honourable the Finance Minister said that there was a deterioration of no less than 4 lakhs 70 thousand from what might have been regarded as the expectation of revenue in a normal year at a much lower rate of tax. Now, the question arises whether in the next few months the Honourable the Finance Member will find it advisable to do what he promised to do. I have not the slightest doubt that he is investigating the point, which is to reduce the taxation on certain lines of imported articles so as to get some money. My feeling is that it is better to get something for the revenue than nothing. At the present moment the diminishing returns have been very much accentuated and I have no doubt that the Honourable the Finance Member will in the next few months find it more lucrative to reduce taxation than to stick to the rates which have been imposed.

[Sir Hari Singh Gour.]

might have been economised. But suppose for the sake of argument that, after long labour and as the result of a deep conviction and irrefutable logic, we were to reduce the demands by let us say 4 crores of rupees, as we reduced the Finance Bill last year, what guarantee is there that your efforts and mine will bear fruit when the Finance Bill last year was discussed for over a fortnight day after day and while many of us slept at night with the Finance Bill under our pillows until the opportunity came of reading it again with the early breakfast (Laughter), all in vain; and what was the result? The result was that, after the singularly striking vote of this Assembly in which all parts of the Opposition joined, the Honourable the Finance Member tucked his Finance Bill under his elbow, walked out of the House and presented himself before that almighty power so far as the Government of India is concerned and asked him to append his certificate to the Finance Member's proposals. Such, Sir, is the abject helplessness of the Indian Legislative Assembly! Sir, I am not surprised that I see denuded Benches around me, and I am not surprised that the few Members who foregather do not display the same amount of zeal and interest in the discussion of the weighty problems that this Budget presents, because they cannot be sure, after having burned the midnight oil over their labours and after having studied and compiled the figures and examined them with the help or without the help of expert advice, their opinion will be accepted by the Honourable the Finance Member and his co-colleagues on the Executive Council. That being the position, I say to myself—and I have often said to myself—what is the good of keeping up this dismal show of a constitutional Government where the constitution is thrown into the wastepaper basket at the fiat and will of one Member of that Government? (Cheers from the Opposition Benches.)

Sir, I do not wish to give further expression to these morbid fears, but I wish to point out to the Honourable the Finance Member that he himself must largely sympathise with us on this side of the House when he recalls his own helplessness in connection with the framing of the Budget. For does he not know that when he finds that the heavy deficit is looming large, he too takes a bundle of papers on an emergency mission to a place 6,000 miles beyond the limits of this land and there, waiting for an interview, explains item by item as to what he wants and that his wants should be met by the power that really rules over this country? And does he not know how often his own wishes have been thwarted, and how often his proposals have been unceremoniously rejected by that greater power that sits beyond the confines of this country? Turning to that power, how small is that power compared to the machinery of the British Government in which what may be regarded as a sum-total of the Government of India has only a place in an obscure corner of that Cabinet and where his portfolio is not regarded as of any account from the British point of view. Such then, Sir, is the abject helplessness not only of ourselves but also of our colleague, the Finance Member, and if we offer to him a few words of advice, we do so because out of a feeling of friendliness and commiseration we feel that his position is no better than our own. Sir, I feel and I have no doubt that the Honourable the Finance Member must have felt, how different could have been the situation if he, instead of being a Finance Member, had been the Finance Minister of this House.

Then he would have unravelled to you the secrets of the finances. But at the present moment his genius is cramped and circumscribed by the narrow limitations of his office and by the rigid rules subject to which he is called upon to function as a Member of this House. Honourable Members who have read the provisions of section 67-A of the Government of India Act need not be reminded of the very large number of restrictions that have been placed upon the powers of this House—powers which we cannot possibly exercise without taking any comprehensive grasp of the Budget as it is presented and without which it would be impossible for us to criticise any individual item. Sir, that being the position and those being the limitations upon our pitiable powers, I feel that, within the very limited scope given to the Members of this House, we should utilise this occasion by asking the Honourable the Finance Member to use his good offices, so far as he can, in alleviating the wrongs which we consider our fellow-countrymen suffer in this country under the various heads to which I wish to draw your attention.

For a large number of years we have been asking the Honourable the Finance Member to note that the question of the military expenditure is looming large in the Budget from year to year and that the Military Department has become that all-consuming Moloch that eats up the reserves and is the root cause of our recurring deficits. (Applause.) We once more ask the Honourable the Finance Member to take it as a message from this side of the House when he has occasion once more to cross the seas to lay the claims of India before the authorities, primarily, and indeed, finally responsible for the laying down of the military policy of this country, that India can never present a balanced Budget unless the power of the military to an unlimited extent is curtailed and controlled by the vote of this House. When I speak of unlimited expenditure, let me not be misunderstood. I know that the Military Department have entered into a contract with the Government of India in the year 1927 for a fixed annual grant, but what we do complain of is that that grant is excessive, and out of all proportion to the requirements of the case, and indeed the paying capacity of the tax-payer of this country. That question raises the question of high policy upon which I am sure neither the Finance Member nor the Government of India nor indeed the Secretary of State have a last say in the matter, and it is upon this momentous question that the financial future of this country depends. That question was raised by one of us last year. That question was raised by the Royal Statutory Commission. That question, in fact, has been coming up over and over again ever since the reforms of 1921. I will not take this House, within the very few minutes left to me, through the details of that controversy, but I wish to say this to the Honourable House, that in that struggle which we have had with the Military Department, we have as often as not received the sympathetic support of the united Government of India. All that we now want is that that support should now be translated into an act, namely, that the Government of India should vigorously pursue the policy which we ask them to pursue in the matter of military reforms.

The second point that I wish to draw the attention of the House to is that when these facts and figures, the *plus* and *minus* statements are presented to this House, they do not take note of the ultimate goal which the preamble of the Government of India Act has stated as the ultimate policy of His Majesty's Government. It has been, for example, stated

[Sir Hari Singh Gour.]

that the policy of His Majesty's Government is to provide for the increasing association of Indians in every branch of the Indian administration. I should like, and I am sure those for whom I speak would like, an annual statement in this Explanatory Memorandum giving the result of Indianization effected in the course of the year in the services, military and civil. That, I submit, would give the Indians some idea of the progress made towards the fulfilment of the pledges contained in the Government of India Act passed under the authority of the British Parliament. The same course might be adopted as regards the Civil Service. As regards the Civil Service, I should like the Honourable the Finance Member to give us some idea as to why it is that the recruitment to the all-India services has not yet been stopped in view of the recommendations of the Statutory Commission and the almost certain provincialisation of the all-India services.

Lastly, as regards the Lee concessions, I would draw the attention of the Honourable the Finance Member to what occurs at pages 24-25, where it is said that these Lee concessions were justified by a sudden and great rise in prices and the raising of the exchange. The Honourable the Finance Member might now re-examine the position as to whether the prices have not gone down and whether the position of exchange does not now warrant a reconsideration of these concessions made in 1924. (Applause.)

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Sir, yesterday evening I was talking with my esteemed friend Dr. Gour and I asked him whether he proposed to speak in the present debate and he told me, "My good friend, what is the good of speaking. Look at the tons of oratory we hurled against Schuster's head last November and with what result? The only result was the certification of the Finance Bill". Sir, the certification of the Finance Bill over the heads of this House has created some bitterness and soreness in the minds of the non-official Members in this House.

An Honourable Member: Including yourself.

Mr. N. N. Anklesaria: Yes, including myself. While my Honourable friend Sir Hari Singh Gour was talking with the bitterness which certification of the Finance Bill has aroused in the minds of Honourable Members on this side of the House, I thought he failed to realise the extremely awkward and embarrassing position of the Finance Member of the Government of India. To-day he has corrected that impression by the way in which he stated how powerless the Finance Member was against the dictates of the "autocrat of Whitehall". It is quite apparent that the supreme authority for the administration of the finances of India having been vested in the Secretary of State by an Act of Parliament, the good which the Finance Member of the Government of India can do is very very limited indeed. The Finance Member of the Government of India does not occupy the same position as the First Lord of the Treasury or the Chancellor of the Exchequer in England or for the matter of that any Finance Member in any European country, but at best he is simply a certified Secretary to the Secretary of State for India. He does not control the financial policy even of his colleagues. As it is said he does not "control the expenditure of his colleagues in the Cabinet but simply registers it". These are the difficulties of his position imposed upon him by an Act of Parliament, but even in spite of these adverse circumstances by which he is surrounded, the Finance Member, if he is a man of strong will and personality, is in a position to do some good to this country, as is shown by the career of the Honourable Sir George Schuster during the last three years. A few years ago if the Finance Member of the Government of India had dared to tax Manchester cotton goods, he would have been acclaimed by the people of this country as a hero. A few years back if the Finance Member of the Government of India had carried on retrenchment policy and trodden on the toes of the mighty Indian Civil Service, he would have been considered as the champion of India. The Ordinance VI of 1931 is a matter of recent occurrence and I need not comment upon it, as regards the part which the Honourable Sir George Schuster played in getting that Ordinance enacted. Then again, one must remember that the present Finance Member of the Government of India has inherited the policies which he has had no hand in propounding. He has simply got to pursue those policies. He has inherited from his predecessors a bloated expenditure and tendencies at extravagance in the various Departments of the Government which an era of surpluses had engendered. His advent as the Finance Member of the Government of India was very nearly coincident with the advent of those economic conditions to which the deficits we complain of are primarily due. These being the circumstances, I think it ought to be a matter for congratulation to the Honourable the Finance Member as well as to this House that he has been able to present the picture of the financial position of this country which he has done at page 184 of his Budget speech. With your permission, Sir, I propose to read a few lines in order that I may be able to comment on them if necessary later on. He says at page 184:

"What are the signs at present? We are free from hampering measures of exchange control; exchange is strong; our credit improved; we have reduced our external obligations and strengthened our reserves, thereby saving the taxpayer interest charges, and improving the chances for raising fresh capital when this is needed for the development of the country, the bank rate has come down from 8 to 6 per cent., and, as a result, all who are engaged in trade and industry have obtained great relief; while, as another result, Government securities are rising, a fact which in its turn is improving the position of all banks and investors."

Sir, I am not a business man, but I will ask the galaxy of business men on the other side to point out one Finance Member throughout the whole world who has been able to present a better picture of the economic and financial condition of his country than the Honourable the Finance Member has done in these few lines. Some of my friends on the other side are laughing at the question I have put. But I do most seriously challenge any of them to point out any serious or substantial inaccuracy about the words which the Finance Member has used in these few sentences.

Sir, he has not got, as I said, very large powers of doing good to India, but whatever lay in his competence he has performed and performed exceedingly well. I would only instance the way in which he has given effect to the retrenchment proposals of the Retrenchment Committees. I happen to have some figures of at least two European countries. While the Finance Member has retrenched 17 per cent. of our expenditure in India, the Chancellor of the Exchequer of the British Government has only been able to retrench 7 per cent. On the other hand the expenditure in the Budget of 1931 of France was 50,750 million francs and the total

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retrenchment which the Finance Member of France was able to effect was only 275 millions, *i.e.*, $\frac{110}{203}$ per cent. Sir, the retrenchment effected in the United States was equally trivial.

Then my Honourable friends on the other side spoke of Government compromising with the Congress. I should not like to touch on that unpleasant topic and speak on it at any great length, but I think it is in the fitness of things that the right things should be spoken out on the floor of this House in order that misunderstandings may be removed from quarters where they should not exist. Sir, I can understand the talk of compromise between two parties when one of the parties does not know where the other stands, because then there is room for an attempt to bring about an understanding or a compromise. But it is known and it has been proclaimed throughout the land that the Congress is out to destroy the British Raj. How can the British Raj come to any compromise with the Congress which has proclaimed its firm determination to destroy the British Raj?

Mr. B. Das: That is a gross misrepresentation of facts.

Mr. N. N. Anklesaria: I am not misrepresenting any facts, Sir. Pandit Jawaharlal Nehru openly stated before the Congress that they were met in a conspiracy to destroy the British Raj and invited the people of India to join in that conspiracy; and Mr. Gandhi, before he left for Dandi, proclaimed that he had sworn that he would never return to his *ashrama* until complete independence was obtained for this country from the British connection. Well, Sir, if this is not destruction of the British Raj, then as my Honourable friend, Mr. Ranga Iyer, said the other day, he should write a new lexicon. My Honourable friend, Mr. Das, talked of the Government not co-operating with the Congress. I do not know what Congress he means. If he means the present Congress, I would just ask him one question; why does he not himself co-operate with the Congress? Why does he not resign his seat and enter the ranks of the non-co-operators?

Mr. B. Das: I co-operate with the Congress as much as I co-operate with the Government.

Mr. N. N. Anklesaria: It may be asked by my friends, if you destroy the Congress, what would you replace it by? To whom does this Assembly owe its present existence, if not to the Congress? I say we owe this Assembly not to the Congress of the megalomaniacs, not to the Congress of the Communists, not to the Congress of the Bolshevists; but we owe this Assembly to the Congress of Dadabhai Naoroji, of Pherozeshah Mehta, of Tilak and Gokhale and Surendranath Banerjee.

Mr. B. Das: And Mahatma Gandhi.

Mr. N. N. Anklesaria: These are the few words I will say on this very unpleasant topic, in order as I said that misunderstanding may not exist where it should not exist.

It is said, Sir, that there are defeatist counsels trying to obtrude themselves on the present Government, and I warn Government from my seat in this House not to listen to them and commit the great blunder which was committed about a couple of years ago. Because, as I said on a former occasion, the Congress people are simply manœuvring for positions. One position yielded to them leads them to desire for another advanced position and that would continue unless as one Member on my right said, the Congress is absolutely crushed,—I mean the Congress dominated by people who dominate it today.

Sir, my Honourable friend the Finance Member talked of co-operation from this House, and I would respectfully point out to him that the essential condition of co-operation is that it should be mutual and reciprocal. If the co-operation which he extended to us last November is the co-operation which he means then this House, at least the non-official Members of this House, would very seriously differ from him. Sir, one point more and I have done. The Finance Member states on page 185 of his Budget speech that the financial difficulties from which this country is suffering are international and international action is required. I should have very much liked to hear from him what proposals he has been able to think out to co-operate with the other countries of the world in fighting this world calamity. Before I conclude, Sir, I do congratulate the Honourable the Finance Member on the admirable picture of the financial and economic condition of India which he has been able to present to this House and which in my opinion is a perfect reality and not a vision as imagined by my esteemed friend Sir Hari Singh Gour, the Leader of the Nationalist Party.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, in the twenty minutes which are at my disposal, I would like to draw attention only to three points. The first point which I will take up is the loan policy of the Government of India. I am sure that in a few years' time if this policy is continued, the country will be landed down a deep precipice. No doubt our Finance Member is the greatest financier in India; but he cannot claim to be infallible; and it is a pity he is guided in laying down the loan policy of the Government of India by his own individual judgment and he has no advisers to consult in this matter. The second point which I will take up today is the question of the export of gold and the inflation of currency. No doubt, the Finance Member and the last speaker presented a very rosy picture: but I should like to draw the attention of the House to the question as to where the flight of gold will lead us to and what will be our position after a year or two. The third point I would like to draw attention to is the policy of taxation of imported articles. Mr. Morgan has already drawn attention to the fact that the law of diminishing returns is already working. May I also point out that during the last six years we have added fresh taxation to the extent of 22 crores on imported articles; with what result? The result has been that the income in 1927-28 of 41·89 crores has come down in the present Budget to 41·13 crores or a deficit of 75 lakhs. That is to say, though during the last six years the law of diminishing returns has been in operation and although we increased the taxation by 22 crores, the result has been a diminution of 75 lakhs in the Budget and I do not know how much diminution will actually occur when the year ends. The Finance Member never distinguished between elastic and inelastic articles. He increased taxation all round to get revenue. He has injured the trade, and himself got less revenue.

1 P.M.

Now, taking the first of these points—the question of loans during the last six years, our rupee loans have increased from 476·43 to 704·20

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crores, that is, by 50 per cent. Our loans in England have increased from 405·31 crores to 507·85 crores, that is, by 25 per cent.; and the total has increased by 40 per cent. Our obligations in England are 42 per cent. of the total obligations. Taking the loans as a whole, we find that the loans have increased altogether up to Rs. 1,212 crores. Out of this 963 crores are shown in the Budget as invested in what is called interest-yielding commercial concerns. That is a point which I would like to take up particularly, and I may say at once that the picture that is given in the Report is really a misleading one. Out of this 963 crores, 752 or 60 per cent. is invested in railways. I do not want to discuss this question of railways today, but I may be permitted just to refer to it as far as it is relevant to the loan policy of the Government of India. During the last six years the Government of India gave a loan of 160 crores to the railways. Out of this 160 crores, the railways invested 46 crores in new capital yielding an income of one per cent., and the remaining 114 crores have been spent on running lines, and it yields no income. That is to say, the Government of India borrowed this money at the rate of 5·7 per cent. and they have lent it to the railway concern which is yielding a profit of 3·4 per cent. May I ask the Honourable the Finance Member as a business man, whether any banker in any country would lend 160 crores to a commercial concern in which he knows that a major portion of it is invested on non-yielding undertakings and a small portion is spent in a new concern yielding an income of 1 per cent.? What has been the result? The result of this investment has been that the railway, which used to give 7·23 crores, *i.e.*, 1 per cent. of capital at charge according to the convention of 1924 to the general revenue, contributed nothing last year and promises nothing in the new Budget before us. Therefore, the Government of India have lost this income of 7·23 crores on account of the false policy which the Finance Member is pursuing about his loans to the railways. This story does not end here. The railways would require an additional loan of 10 crores partly from depreciation fund and partly from general revenue to pay interest charges. Not only have we to provide money for the railways for unprofitable construction but we have also to provide additional loan to pay up the interest charges. It is an evident position in business. No business can pay interest of 5·7 per cent. at which the Government of India have lent money to the railways while their own profit is only 3·4 per cent. Therefore this interest is paid by giving them more loans, and if we go on giving them more loans year after year in order to pay their interest charges, and if we also do not take from them this 7·23 crores which is really the sum due to us after the convention of 1924, I do not know what the financial position of the Government of India will be and in what direction my Honourable friend the Finance Member desires us to go. The Honourable the Finance Member is really in charge of the Loan Fund and he cannot wash off his responsibility to the Indian tax-payer by investing money in such unprofitable concerns. I do not want to waste the time of the House at present and give a list of the unprofitable undertakings, and the wasteful manner in which the Railway Board has been spending money. Their expenditure has often been twice and three times their estimates. The Honourable the Finance Member is the custodian of the finances and cannot wash off his responsibility. The Financial Secretary is his Secretary and he is primarily responsible for all the extravagance which the railway has made during the last seven years.

Now, coming to the other business undertaking—the Posts and Telegraphs—I shall make a small reference to it. We find that their interest liability is increasing and it has increased from 62·65 lakhs to 95·18 lakhs, and their total debt has increased also to 3·73 crores. This also is a commercial concern which is supposed to be a paying concern; but it is not possible for it to do so for a long time unless we reorganise the department thoroughly; otherwise we cannot get the loan back or any portion of it from these things . . . . .

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): What loan are you referring to?

Dr. Ziauddin Ahmad: The liability of 3·73 crores . . . . . .

Sir Cowasji Jehangir: You mean the capitalised account?

Dr. Ziauddin Ahmad: Yes. The net result is that we are paying an amount of about 55 crores a year as interest on our undertakings; and out of this we expect to get only 41·71 crores from the commercial concerns, and most of it also is a paper transaction; and the remaining 13 crores are to be collected from our taxpayers. The amount of interest is increasing day by day. Sir, we are wasting more money on interests than on wasteful administration. Sir, had the Finance Member been responsible to the Indian Legislature and cared more for the taxpayers in India, he could very easily have washed off this loan of 380 millions which we have to pay to England in terms of sterling. I maintain that if we really divorce our rupee from paper sterling and do not link it thereto, then it is quite possible and it is certain that sterling in terms of the rupee will go down, and the amount of our loans in terms of rupees will be reduced by about 125 lakhs. The Honourable the Railway Member suggested the issue of debentures, and I think it is now the time when the debentures may be issued for the sum which India has to pay to England at reasonable rates. Sir, it is quite possible at this time in that way to wash off our loans in sterling altogether, or at least reduce them substantially by this course. Now, out of these 380 millions we have to pay in terms of sterling, quite a third if not half is owned by the Indians themselves, on which they pay no income-tax, and it is quite possible that this sterling loan advanced by Indians may be transferred from the sterling loan to the rupee loan by some mutual arrangement . . . . .

Sir Hugh Cocke (Bombay: European): You think the other may be paid off by raising debentures.

Dr. Ziauddin Ahmad: Yes, or possibly we may have fresh loans in India in order to pay this money.

Now, the next point which I would like to take up is the question of the flight of gold. No doubt, we have had a very rosy picture painted of the flight of gold. It was pointed out on the floor of the House that during the last 20 years India has absorbed 700 crores of rupees worth of gold and out of that what matters it if we export say about 50 crores rupees worth of gold. But there are two factors which have not been mentioned. I should like to know how much gold we exported during the war from 1914 to 1919, and how much we exported in the years 1920-1922, in order to stabilise the British currency.

The Honourable Sir George Schuster (Finance Member): The figures which I have given the Honourable Member are net figures of imports that is to say allowing for all the exports that have been made, India has imported on balance over 700 crores worth of gold in the last 30 years.

Dr. Ziauddin Ahmad: I am thankful to the Finance Member for this information. 700 crores is really the net absorption by India excluding all the gold which has been exported during and after the war . . . . .

The Honourable Sir George Schuster: I should make it clear that the figure 700 crores is based on today's prices for gold; that is to say it allows for the present depreciation of the rupee. At the actual prices at which the gold was imported the total net imports amounted in value to about 550 crores. But of course on the other hand, if you take that value as a basis, then the value of what has been exported in the last few months is only about 35 crores.

Dr. Ziauddin Ahmad: Anyway, I leave this point, and I draw attention to three points in this connection. The first is this. As was pointed out by my friend, Makhdum Syed Rajan Baksh Shah, I would recommend the Finance Member to read his speech three times, because it has been pointed out there that the zemindars in the Punjab have sold their ornaments in order to pay their taxes; nay, they have gone further, they have sold their clothes to pay up the income-tax, and that is not enough, they have gone so far as to sell away their children! And I ask how long can any country bear the land revenue tax under such circumstances. The Honourable the Finance Member said, on the floor of the House the other day, that he did not understand what was meant by distress gold. I should like him to read the speech of my friend, Syed Rajan Baksh Shah, and then he will understand what is meant by distress gold. The zemindars have been selling this large quantity of gold in order to pay their land revenue, but this state of affairs cannot go on indefinitely. It may go on for one year, or possibly for two years, but afterwards there will be a break, and the break is bound to be followed by some kind of revolution—it may be a social revolution or it may be a political or economic revolution, but some kind of revolution is bound to come, as we find that the time is fast approaching when the zemindars will not be able to pay up their taxes.

The other point I want to mention is that by exporting gold from India, you cannot possibly solve permanently the economic problem of England or of the world. It is very desirable that England should handle the problem of gold all at once, and she should not try to impoverish the resources of the Empire by exporting gold and bringing about distress in this country. In this connection I should like to make a small quotation from Gegory, he says:

> "The flight of gold has given a little temporary relief to India and the British Government. It really meant that gold which is now in Indian houses and naturally in the British Empire will slowly creep into the vaults of the Bank of France and the Federal Reserve Bank of England."

So, Sir, the result of this policy has really been that the gold which is now in the British Empire will gradually find its way into France and America. We really want a permanent solution of our difficulty, and the present method of encouraging the people to sell away their gold is

not really the permanent solution of the present difficulty. You dislocate centuries old land administration, leave your gold problem as it was, Find its solution, otherwise, if you want to continue the present policy, then take bold steps, before it is too late and purchase all the zamindaris.

The third point to which I should like to invite attention is this. Suppose the flight of gold stops after two or three years, then what would happen to the inflated currency? We know that the currency has inflated from September onwards; that in 1929 it was 185 crores, and in September 1931 it was reduced to 146, and today I think it is about 182 crores or perhaps a little more. Now, the gold coins have also dissipated during the same interval, that is, in 1932 we had 32·27 crores rupees worth of gold coins, in 1931 they were reduced to 23 crores, and now they are only 4·76. This is the dissipation of the gold coins. This inflation of the currency could have been justified had there been an increment in the volume of export and import trade, because for trade purposes you do require inflation of currency, but taking the figures for the 10 months of the last 3 years, we find that the import and export trade is diminishing. In the year 1929-30, the export trade was 238 crores, against an import of 202 crores; in 1930-31 the export was 200 crores against 126 crores, and in 1931-32 the export was 130 crores and the import was 105 crores. I have taken the figures only for 10 months, the figures for February and March for 1932 being not yet available. These figures show that our export has really diminished by about 50 per cent. and so is the case with our imports. So when the volume of trade has been reduced to half, I ask whether it is justified to have inflation of the currency. Speaking not as an economist nor as a financier, but only as a layman, I ask what is the meaning of the flight of gold? It means this, that a person living in a village in order to pay his land revenue has sold all his ornaments, say, worth a thousand rupees. This money has now gone to England or to some other foreign country and the credit of India is established by this amount. Sir George Schuster comes forward and he prints notes either on silver or on paper (the rupee being a token coin and containing silver worth 6-annas) and hands over the notes to the person who has parted with his gold. What is the net result? Instead of gold, the people now have got paper which does not cost much to print. We may also assure the Finance Member that people are not selling gold in order to find a better source of investment; they are selling gold because they cannot find the money to pay off their land revenue, because they cannot find money even to meet the expenses of their ordinary daily livelihood, and it is for this reason they are parting with their gold. This process cannot certainly go on indefinitely, but as soon as this process stops, then the financial crisis will begin. To-day you have an inflated currency which cannot be justified by the volume of trade in the country, but is required to pay the price of gold sold by individuals, but as soon as this flight of gold stops, then we will land ourselves in a great financial crisis. It is quite possible that Sir George Schuster may leave India by that time, but the effects of that financial crisis will be very great and we should find it exceedingly difficult to face the position. My friend Mr. Anklesaria, has congratulated the Finance Member for his sound financial policy, but I find no reason for congratulation if money is collected on account of the distress of the people; but there would have been every reason for congratulation had money been collected on account of increase in the export and import trade; but if the money is collected on account of the distress of

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the people, then there is certainly no room for congratulations; it is a question of luck in which the Finance Member has found himself, and we do not know how long that luck will last . . . .

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

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.

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces: Muhammadan Urban): Sir, during the general discussion on the Budget in his yesterday's speech my Honourable friend, Dr. Dalal, said that "The prestige of the British stood higher than at any time and if the Congress had the welfare of India at heart it should shake off the war mentality and join the Government in constitution making," to which my Honourable friend, Mr. B. Das, Chief Whip of the Nationalist Party, remarked that "A recent meeting in London had resolved urging the Government to come to terms with the Congress". If I may be allowed to speak on the subject, I would say to my Honourable friend, Mr. B. Das, that, before pressing Government to have nationalists demands responded to, he should come to terms with the minorities of India who would not accept such a constitution as is prejudicial to their respective rights. Consequently the political atmosphere of India will remain cloudy; peace and happiness will vanish into thin air, and discontentment, will reign supreme. The economic aspect of non-co-operation is a most vital question which has a direct bearing on the trade and industry of India. Even the man in the street knows that the Congress has paralised the whole commercial and industrial organisation by starting the campaign of civil disobedience and boycotting British goods. Both these movements have proved most destructive to the country. I find no justification in criticising the Government alone so far as the finance of India are concerned, especially when I see that Indian importers of piece-goods boycotted foreign goods on one hand and contributed liberally to the Congress funds on the other. And this Congress fund alone is responsible for carrying on a huge propaganda against Manchester and Lancashire, the greatest weaving centres of England, Sir. It is the Indian merchants who under the pressure of the Congress Committee only suspended their business for a certain period and at the same time managed to keep up business relations with the British manufacturers and continue supplies to European customers at a good margin of profit. Under the circumstances I would suggest that with a view to meet the critical situation prevailing now-a-days in the country we should direct our attention first of all to solve the minorities problem mutually, which I think is not so complicated, and unless it is sincerely adopted there is no hope of reduction in the heavy burden of taxation lately imposed upon poverty-striken peoples of this unfortunate country. I therefore appeal to my own countrymen to come to a mutual

settlement in the interest of our own country, without which I think there is no solution of balancing the Budget. I may tell the House that Muslims generally, and traders more particularly, are anxiously prepared to co-operate with everyone in the achievement of this object which is so dear to the hearts of the true well-wishers of India. The problem itself is not complicated. I think a change of heart is the only solution.

Mr. Badri Lal Rastogi (Patna *cum* Shahabad: Non-Muhammadan): Sir, at the very outset I deem it proper to congratulate the Honourable the Finance Member for making an exhaustive review of the financial position of the Government of India. It is a matter of great consolation, Sir, that we are not going to have any fresh taxation—though we have had enough of it—in order to meet the deficit. Only recently, a few months back, a number of new taxes were forced on the country in the teeth of the greatest opposition of this House, and so let us see, Sir, how the various taxes fared according to the estimates placed before us. Under the head Customs, the estimates then formed have not been realised. There is a staggering fall in imports of merchandise; that is to say, there is a drop of one hundred crores in the last ten months in the amount of imports, as compared with the figures of the last year, and this deterioration is due to nothing but poverty of the people. Cotton textiles have dropped from 43 crores to 15 crores, and sugar has fallen from 15 to 4 crores. Besides this, there is a considerable deterioration in silver, liquor, and cotton piece-goods also. Thus, Sir, it is clear from the facts and figures how the fresh taxes have fared and whether the people are overburdened with taxation. Yesterday, Sir, there was some discussion here as to whether the rich or the poor pay the largest revenue to the Government. But this question is quite beside the point, because we should take the whole country into consideration. Taking India as a whole, I think the limit of taxation has been reached and she has been taxed beyond all capacity. According to the figures quoted regarding the consumption of luxuries, it is clear that the higher classes are also not in a better state. Therefore, no one can deny that the country is being taxed beyond its capacity, and any proposal for fresh taxation at any time in India would react adversely on the revenues of the Government instead of bringing in more revenue. Under the circumstances, Sir, I appeal to Government not to harbour any idea in their mind of imposing any new taxation upon the already overburdened people of India, and I hope that the Honourable the Finance Member will banish the idea of increasing the taxes that fall on the masses whenever extra revenue is needed. Sir, the best and most reliable source of income is economy itself. The more this source is tapped, the more income is derived. As regards the military expenditure, Sir, it is as yet too heavy a burden for the nation to bear. Having regard to the fall in prices, the expenditure ought to have been cut down to a considerable extent, but it is regrettable that the figure and limit suggested in the Inchcape Committee's Report and by the Army Retrenchment Sub-Committee have not been reached at all. As for the civil expenditure, Sir, a cut of ten per cent. is nothing; rather a cut of 25 per cent. at least should have been introduced. There are many other items that can be easily and drastically retrenched. Therefore, Sir, there is as yet ample scope for retrenchment under that head also. There is one point more, Sir, and that is, the revision and reduction of the scale of salaries of the highly paid servants of the Government. It is high time that the scale of salaries was revised and reduced.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): Sir, I congratulate the Honourable the Finance Member on the lucid speech he has made the other day in presenting the Budget for 1932-33. I thank him for so ably putting his case and laying all the cards on the table. He has tried to take the House into his confidence and we are ready to act and co-operate with him in facing the difficulties which stand in the way. Sir, co-operation and goodwill rest with mutual reciprocity. Every one of this House is aware of the fact that India has got an agricultural population of more than 88 per cent. No stability of finance and deficiency in the Budget can really be met without the confidence and co-operation of the masses. Sir, I crave the indulgence of the Finance Member's attention to a very important point, namely, that three-fourths of the Indian population is suffering under the agony of world-wide trade depression.

May I remind the House that the abnormal fall of prices in agricultural products may not be the only reason for the world-wide trade depression. Sir, if I remember well, I can say with the utmost confidence that when the ratio controversy came before this House, it was Sir Purshotamdas Thakurdas who, with his great experience and efficiency, most emphatically protested against fixing the ratio at 1*s.* 6*d.* on the ground that the poor agriculturists would be affected by no less than 15 per cent. in producing their crops. Sir, that prophecy has come to be true and the poor agriculturists are suffering from the pangs of hunger and poverty. They are quite incapable of meeting the rents of landlords and all the Local Governments are having great deficits in revenue. India, being an agricultural country, can never have prosperity without improving the general condition of agriculture. Sir, both landlords and tenants, I may confidently say, will help the Honourable the Finance Member whole-heartedly in maintaining a budgetary balance, if their condition is improved. I am glad to state that, in furthering the cause of our industries, the Government of India have granted protection to sugar in the form of a Bill in this House, which will, I hope, get everybody's sympathy.

Next, Sir, I want to draw the attention of the Honourable the Finance Member to the fact that he is undergoing a great risk in exporting gold from India when we are expecting a well-thought scheme for a Reserve Bank with the inauguration of the new constitution. Sir, there is one burning question in this country to give effect to the Retrenchment Committee's recommendations to meet the deficit, but I thank the Honourable the Finance Member for the assurance he has given to us for no more reduction in pay, but I would earnestly appeal that a strenuous effort be made in curtailing the other expenditure of the Government.

My last remark, with which I want to conclude, is the extension of primary education in India, and I earnestly appeal to the Honourable the Finance Member to grant a satisfactory amount for the extension of education. Sir, we are on the road to responsible government with a Federal Legislature and the extension of the franchise, but these high ideals will hardly be achieved without awakening the illiterate masses by educating them.

Mr. M. R. Gunjal (Bombay Central Division: Non-Muhammadan Rural): (The Honourable Member made a speech in Hindi a translation of which will appear later as an Appendix to these proceedings.)

Khan Bahadur H. M. Wilayatullah (Central Provinces: Muhammadan): Sir, I am sure the House feels grateful and sincerely indebted to the Honourable the Finance Member for the great pains he took in the preparation of the Budget, and the lucid manner in which he has explained all the salient points. Sir, the financial position of the country is not free from anxiety. It is however said that this has been brought about by world conditions; therefore it is very necessary that the situation should be handled with great care, and not only that but also with sympathy. At the present juncture, Sir, the interests of the people and of the Government of India are identical. One cannot prosper while the other is damaged. There is no running away from the fact that, in spite of the increased customs duties, the income from exports and imports has fallen considerably. The total exports and imports during the last ten months of the current year have averaged only about a half of what they were in 1929-30. It is a warning to us and an indication that the purchasing power of the people is steadily going down. This is due to the contraction of the resources of the people who are unable to earn money. The conditions are generally abnormal: the agricultural produce has no market; the prices of grains have considerably fallen; trade has suffered badly and yet the Government have had to impose additional taxes in order to balance the Budget. The Honourable the Finance Member has referred to the large movements of gold from this country and it is said that it is for the benefit of the people of this country. It seems to me that when people parted with their gold to such an extent, their purchasing power ought to have improved because they had more money to spend. But, on the other hand, we find that it has deteriorated. This shows conclusively that the gold was parted with not for providing the necessaries of life, but to pay off liabilities, taxes and Government demand. The agriculturists had no other means of meeting their liabilities when the crops raised by them would not fetch enough money to pay the Government land revenue as well as to maintain themselves and their families. There was no option left but to part with jewellery, which found a ready market. Similarly, so far as the traders are concerned, it cannot be denied that the prevailing depression has hit them hard. There could be no better proof of this than the dwindling figures of exports and imports. Whatever may be the income of the people under the present conditions of trade, they have still to pay the enhanced income-tax with retrospective effect on the income of last year, that is to say, the present conditions are not a factor in judging as to what they should pay. Under the circumstances, it is not surprising that the people find the taxation policy of the Government of India irksome, for each individual has to pay higher taxes when his resources are diminished.

3 P.M.

Now, so far as the Budget is concerned, there will still be a deficit of 13·66 crores at the end of the current year, and we hope there will be a surplus of 2·15 crores at the end of the next year. For some years we have been faced with deficit Budgets, and the deficiency has been made up by imposing fresh taxation irrespective of the financial condition of the people and the circumstances prevailing in the country. The proper course was to reduce the expenditure also in right earnest when our receipts showed a downward tendency. Very little retrenchment has been made: the recommendations of the Retrenchment Committees have been accepted only partially, and it is indeed surprising that in the face of a national emergency Government did not think it fit to touch even temporarily the

[Mr. E. F. Sykes.]

There is more here but I will leave it all out except the last paragraph:

"In point of fact the incomes with few exceptions of this large section of the population vary with the outturn. . . . . ."

I am referring to the agricultural population,

"and price of agricultural produce—mainly foodstuffs—and it is absurd and uneconomical that Railways should maintain standards of wages which are hopelessly out of relation with the income of the bulk of the population."

Now, I would ask your indulgence to read a very few lines from an article by Mr. S. C. Joshi, dated the 16th September, the following day. My reason for asking your indulgence is that Mr. N. M. Joshi insinuated that the printer's devil had got into the article and made a mess of it. I would therefore read a little more than what I did on the previous occasion:

"This deplorable situation enables a few to live exceptionally well by impairing the capacity of the State to undertake larger activities and employing much larger numbers. It gives an artificially elevated position to the official where he comes to consider himself as an altogether superior person. . . . .The amount involved is large, amounting to as much as Rs. 40 crores."

I hope my Honourable friend, Mr. N. M. Joshi, will not try to show the House that this refers only to gazetted officers because by no means can their remuneration be shown to be as much as 40 crores.

I said at the beginning that I was unable to find the orders about readjustment of wages and salaries after the War. But in looking over the memorandum that the Railway Board prepared for the Royal Commission on Labour I find they do touch on them. They say:

"Post-War Revisions of Pay: To meet the altered conditions, temporary increases of pay were given to Railway labour in 1917 in the form of a war allowance and the rate of the allowance was enhanced from time to time till 1920 when the allowance was merged in a general revision of the scales of pay. The scheme of revision was framed and sanctioned with due regard to the increased cost of living in the various provinces traversed by the several railways and as the lower paid employees were particularly affected by the increase in the cost of the necessaries of life, the percentages were fixed on a sliding scale, giving much larger proportionate increases in the lower grades."

Sir, you will see that the assumption that I made in the memorandum from which I read extracts is now verified. Hence from these various articles it is very easy to draw one simple conclusion. That in the present need for retrenchment our proper course is to follow, as near as may be, the inverse of the course that was followed after the War in 1920 and the following years. If we do not do so, we continue to maintain that privileged class to which my friend Mr. S. C. Joshi took so much exception and which I am quite sure the House has no desire to create or to maintain.

You will, Sir, perhaps with the rest of the House expect me to make some suggestion as to how it should be done. In our innumerable difficulties we very often find it convenient to look back to see what in their wisdom our ancestors did. In this particular case my own memory goes back to a time when ordinary Government servants, especially menials, had a fixed pay. I remember for example that the pay of a *syce* was about Rs. 8 a month and he would receive a further remuneration which was called by various names; he called it *bhatta* but the Finance Department probably would call it compensation for dearness of provisions. This

is rather a longer term. I would not say how long it lasted, but it went on very nearly till the time of the War and I am not quite sure for what reason it was abolished. Probably because it was argued that the index figures from which these allowances were compiled were not accurate enough to regulate these allowances properly or that the people who were concerned with the payment and with the audit of salaries thought it was a great deal of additional and unnecessary work. But as I read out from the Railway Board's memorandum this scheme of compensation for dearness of foodstuffs was still in force till 1920 when all these things are merged in the single consolidated rate. The fact, however, is that at the present moment we have extraordinary minima of pay, which are enormously in excess of the remuneration which persons performing similar labour can obtain from private sources. I put down a question and hoped that by to-day it would have been answered, but I hope perhaps in giving his reply the Honourable the Finance Member will be able to give me an answer to it. If he would give an answer, then we shall know exactly how far this statement of mine can be relied on. I can answer for my own part of the country that the gap between the railway minima and the remuneration paid by private employers is absurdly wide. I, therefore, recommend the course of splitting up the remuneration of labour into separate portions as being justified by the wisdom of our ancestors. Now, the Honourable the Finance Member will be aware that this excellent course is followed by the whole of the civil service in the United Kingdom in which pay consists of basic pay *plus bonus*—that is a nice word like *bhatta*—if that course is followed it will be very convenient. I hope, Sir, the Honourable the Finance Member will take this matter into consideration and will produce a scheme by which wages and salaries can be readjusted to present conditions and under such arrangements as will make them self-adjusting in the future.

Mr. A. H. Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Sir, our sympathy must go with the Honourable the Finance Member in the deplorable predicament in which he has been placed in balancing the Budget. However cautious his estimates were, his receipts have fallen far short of his expectation. And the cause is not far to seek. It is the world-wide depression over which he had no control. Nevertheless, to my mind, he has left no stone unturned to cope with the ever-changing situation. We listened to his masterly speech the other day with deep attention, and I must say that it left us not a shadow of doubt that he on his part applied the axe with a grim determination. But the expected income dwindled month after month and the huge deficit was inevitable. Luck has not favoured him, so it seems, since he assumed the reins of his office, or even if it did, he could not make headway with such a top-heavy administration.

My Honourable friend, Mr. Mody, said that the extravagant expenditure incurred during the last 11 years has resulted in this bankruptcy, and that however they may overhaul their machinery they cannot, with this elaborate administration, make both ends meet. Sir, it is not 11 years—I would go further back. The unfortunate annulment of the partition of Bengal, with the transfer of the Capital to Delhi, is the beginning of the era of the criminal waste of public money. Millions have been sunk in Delhi alone without any corresponding return—a staggering waste, perhaps without a parallel in the history of the world. Then came the successive reforms with all their paraphernalia which contributed in

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Lee concessions. Even the 10 per cent. cut includes the income-tax increase. Besides, these cuts are very temporary as they will automatically cease to be effective after the 31st March, 1933. Again, so far as the retrenchment is concerned, the major portion of it has affected men at the bottom of the services who have been thrown out of employment. This has added to the unemployment and also has accentuated the discontent. Sir, the forecast made in September last has not been realised, and in view of the prevailing conditions which do not show any signs of recovery so far, it is just possible that our present calculations regarding the amount of deficit at the end of the current year and of the surplus at the end of the next year may not materialise and we may be faced with further deficits. In that contingency which may occur at any time, the proper course will be to make drastic retrenchments in the civil and military expenditure and not to repeat what has been done in the past, namely, the imposition of additional taxation, for in that event the purchasing power of the people will be still further diminished and any increase in taxation will be very undesirable, nay, even impolitic. Possibly, some plausible argument may be put forward to the effect that the falling off in the figures of imports is due to the growth of indigenous industries and therefore it justifies fresh taxation. The matter will require very careful study and minute examination.

Before I conclude, Sir, I would like to point out that taxation beyond a certain limit and the revenue derived from it often result in a vicious circle. Increased taxation does not always bring in increased revenue, and the law of diminishing returns sets in as it has already done in India. I will give an example. Last year the import duty on motor cars was raised in this House and simultaneously in some provinces heavy duties were imposed on all motor vehicles both in private and public use. What is the result? The result is that there has been a considerable fall in the number of cars imported, and consequently there has been less customs revenue from new motor cars and there has been less consumption of petrol which is also taxed. Thus there has been less revenue from petrol also. The railways have also lost their income from freight and haulage because of the fall in the number of cars imported. There was less registration of cars and there were less registration fees; the local bodies have lost their wheel tax, and perhaps in some cases we might also lose the income-tax. So, these heavy duties in their cumulative effect proved prohibitive and made the further use of motor vehicles which are plied on hire in certain cases impossible, and all these losses have resulted in consequence. I would request the Honourable the Finance Member to call for figures from the provinces, and on being satisfied, to take the necessary steps in this direction. We are very grateful to the Honourable the Finance Member for the assurance he has given in the concluding portion of his speech to the effect that the new taxes which were imposed as an emergency measure will be reconsidered with the advent of better times. This will be a very desirable step seeing that some of the recent impositions have turned out to be unsuitable, and instead of yielding the revenue which we expected from them they have produced just the opposite result. No one would like to kill the goose that lays the golden egg and therefore in the interests of the country, the trade and the Government of India itself I would urge that the position should be rectified and the sooner this is done the better. (Applause.)

Mr. E. F. Sykes (Bombay: European): Sir, I would like to congratulate the Finance Member on the deliverance of his feet from the snare of a Civil Aviation Service. I do so with the greater pleasure and that I was a member of the Standing Finance Committee when the original proposals for this service were brought forward.

I offered such opposition as I was capable of, but I fear I was alone in my opposition, for the other members of the Committee seemed to think it was a most desirable proposition. However, at the present time apparently they have come round to my way of thinking and we now have no prospect of having any such scheme thrust on us.

It is very fortunate that we find public-spirited and able people like Mr. Grant-Govan and the Tata Brothers coming forward to assist the State in a matter like this. I hope that we shall find in the future not only do public-spirited and competent persons come forward to organise these services but that the State will subsidize them to such an extent as may be deemed desirable. Having said this much, I now turn to another matter.

I notice with regret that this House is rather losing its interest in retrenchment. I have listened to the speeches for the last two days and I do not think I have heard so much about retrenchment as we used to hear, and yet anybody who has studied the Budget must be aware that the necessity for retrenchment is as great to-day as ever it was. This is a matter on which I addressed the House last week, but I am very much afraid my voice was so feeble that it did not reach the Commerce Member when I was discussing retrenchment in Railways. The subject is, of course, one which is not peculiar to any department of Government. It runs through all Government departments and it is just as much germane to the present discussion as it was to the discussions of last week. Unfortunately I say my voice was unable to reach the Honourable the Commerce Member. I hope on this occasion if my voice does not reach you, Sir, or the Honourable the Finance Member or any Member of this House, if he will give me a shout, I will endeavour to give them a shout back. Owing to the fact that my voice was not heard on the previous occasion, I am afraid I must go as briefly as possible over much of the same ground. In the meantime when I was turning to some of my papers of last autumn, I found by a rather curious co-incidence that I quoted from a paper by a well-known labour Leader. The date of which was 16th September.

Mr. President: Is the Honourable Member going to repeat what he said on the previous occasion?

Mr. E. F. Sykes: No, Sir. I did not say that I was going to repeat myself. Turning over some papers I found a memorandum I had written dated 15th September. This, Sir, was not mentioned on the previous occasion. I said:

"I have not yet received from the Railway Board a copy of the general orders in accordance with which salaries and wages were raised after the War. Wanting this I am obliged to make an assumption and I assume that the permanent scales which absorbed all temporary war increments, grain allowances and *mahangai* of all sorts were based on the increased cost of living and more particularly on the increased cost of foodstuffs. On this basis the lower grades received the largest percentage of increments and the percentage of increase was steadily reduced as the rate of salary increased: so that in the higher grades the increase was quite moderate. Whether this is correct or not, it does not affect my view that any reductions now made should be based on the same principles as the previous increases, allowance being made for changed conditions such as enhanced scales of Income-tax and import duties."

[Hony. Capt. Rao Bahadur Chaudhuri Lal Chand.]

more cumbersome than is necessary for a poor country like India. There is some excuse for paying high salaries to Europeans as they have to come away from their homes and serve under uncertain conditions, but to pay the same salaries to Indians serving in their own country is not logical . . . . . .

Mr. N. M. Joshi (Nominated Non-Official): We did not ask them to come here.

Hony. Captain Rao Bahadur Chaudhri Lal Chand: The day is far off yet when we will be free from that. Besides, some simple methods should be devised to suit the conditions of this country.

Sir, the department where retrenchment has been most satisfactory is the Army Department, and His Excellency the Commander-in-Chief has shown great aptitude and tact in adapting the Army Budget to changed conditions. The cuts have been most satisfactorily carried out, and in spite of the change in the political situation since September last he has fulfilled the promise announced at that time.

With your permission, Sir, I wish to draw the attention of the Government to one aspect of their taxation policy. So much fuss is being made here and elsewhere of the condition of a handful of millhands in the name of "Indian Labour". Probably the idea has come from the west, where this section of labour forms such a large majority of the population and is an important asset. I hope my friend the Honourable Mr. Joshi will agree with me that the majority of Indian labourers are working in fields and not in mills or mines. India is purely an agricultural country, and 75 per cent. of its population lives upon agriculture. They are not only cultivators of the soil, but also the breeders of cattle. They are, however, scattered over the length and breadth of the country and you cannot make them pass through the streets of Bombay and Calcutta for purposes of demonstration. I am not going to refer to their want of representation in this House or on the Round Table Conference or on any of the Committees that are now at work, not because their case can be heard *ex parte* without detriment to their interests, but because they are in a majority in this country, and protection is needed only for minorities and not for majorities. I will show that this working class has been given a step-motherly treatment by Government and the policy of taxation is very faulty.

The chief privileges of this House are, first, to levy taxes, and secondly, to spend the money so realised. The first privilege allows them to dip their hands in the pockets of the people, and the other entitles them to spend that money. I will now show that we have been impartial in levying taxes and are not spending money on people in proportion to their contributions. For this purpose I will take the case of the peasant proprietor. He owns a small holding and cultivates the same himself. So he is both the landlord and the tenant. The majority of agriculturists belong to this class and its importance is enhanced by the fact that the Indian recruit comes from this section of the population.

Comparisons are odious, but for the purposes of my case I will compare the land revenue policy of Government with its income-tax policy. Honourable Members will remember that when it was proposed to bring the

minimum taxable income down to Rs. 1,000, it was argued that poor peoples' bread and butter should not be taxed. It was then said that Rs. 1,000 was not enough for bare living of an average family of six persons. Be it Rs. 1,000, or Rs. 2,000 or even Rs. 500 or even as low as Mr. Joshi has rightly pointed out, this principle of exempting bread and butter from taxation is perfectly sound. But may I ask if a similar margin has been left, for the peasant proprietor? Every inch of land is taxed, no matter whether the holding is small or large, and whether it gives bread or butter or none at all.

I know I will be told that all lands belong to the Crown and we are only lessees from one settlement to another. But if the Crown is owner of all lands, agricultural and otherwise, then why has a similar tax not been levied on sites of houses and shops and factories? When did the Crown dispose of these sites? Has the Crown lost its inherent right of ownership in Chandni Chowk lands, and is only owner of bare fields? (*An Honourable Member*: "They pay ground rent".) No, they don't. The value of house sites shops and all such property has gone up as a result of the peace given by settled Government, and yet the Crown has been divested of its ownership in the best position of the properties of this land. I will just give one illustration to show the unjust nature of this theory. For instance, I own two acres of land near Delhi. That is all irrigated, and I sow the cheapest crop on that land, and that is only fodder. It gives me only Rs. 12 per annum as income. The revenue officer comes round and takes away Rs. 2 a year from me because it is land reserved for agricultural purposes. Suppose I turn it into a factory and my income goes up to Rs. 1,999. The revenue officer comes and says, "Oh, it has ceased to be agricultural land and therefore I do not want anything from you". The Income-tax officer comes round and says, "Your income is below Rs. 2,000 and so nothing is wanted from you". Therefore, although that land has given me more income, yet I am free . . .

Mr. N. M. Joshi: You have to pay a fine for turning the agricultural land into a factory.

Hony. Captain Rao Bahadur Chaudhri Lal Chand: No. Not at all. So, we are not impartial in levying taxes, and naturally the burden falls on the party that is not present here and is unrepresented in other important places also. They are Indians not for rights but for liabilities. True democracy demands that they should be treated as brothers with equal rights.

Sir, the Government of India as at present constituted, including of course this House, is a combination of big landlords, big officials and capitalists or the moneyed classes, and it is no wonder that they should ignore this class. Taking the big zemindars alone, how many of us here would agree to a graded system of assessment on the lines of the income-tax? My suggestion may create a split in the zemindar camp, but I may point out here, as I did before the Agricultural Commission in 1926, that the future parties in India will be landlords and capitalists on one side and peasant proprietors and labourers on the other. The times are coming when, if the Lothian Committee keeps its eyes open, the next reforms will see half of these benches occupied by peasants.

Sir, I will be told that land revenue is a provincial transferred subject, and that I should go to the provinces for these exemptions of bread and

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no small measure to this wanton extravagance. They have loaded every province, as well as the Central administration, to breaking point. In the good old days a Lieutenant Governor with a Chief Secretary could cope with all work and carry on the administration efficiently. We have now in each province a Governor with an array of Executive Councillors and Ministers, numbering in some provinces as many as seven, and countless Secretaries and Assistant Secretaries with expanding Secretariats. This alone eats away almost all the income, leaving barely anything for the nation-building departments or for the reserve for rainy days. The salaries of the Judges of the High Courts remain where they were 60 years ago, but those of the Secretaries and other officials have gone up by leaps and bounds. How long and how far can one meet this ever-absorbing expenditure by piling taxes upon taxes? Government have bled the people white and the limit will have surely been reached. Half of these troubles is due to this self-imposed burden at the top of the administration, and warnings have always fallen on deaf ears. The retrenchments that are being carried on—even though, thanks to Government peculiar sense of justice, the axe has fallen heavily on my community who are an insignificant minority in the Service—would not touch the fringe even. Retrenching a few coolies, clerks and assistants cannot bring us any the nearer to solution. And in this connection, I must confess it was not a small surprise to me the other day when the Honourable the Commerce Member gagged me while making my submission to this House as to how a saving of half a crore of rupees could be effected if the scheme I had placed before the House was adopted. It reminds me of what the late Mr. Jackson, the famous English Barrister in Calcutta who was known in Bengal as "Tiger Jackson", remarked years ago, before a Criminal Bench of the Calcutta High Court. In defending the accused in the Chartered Bank fraud case he said: "My Lord, if you raise your little finger against even a cooly in the employment of Government, the whole Government is up in arms against you". That was truly said. The head and front of my offence was that I wanted to explain to the House how enormous savings could be effected in coal purchase and colliery management, and raised my little finger against an employee of Government. And behold, the whole of Government machinery is stirred to its very depth and is set in motion to stifle me. What pained me most was that the Honourable the Commerce Member charged me with taking shelter under the privilege of a Member of this House in making that statement, and yet would not allow me an opportunity of repudiating it. I made that statement in the interest of the public, and let me assure the House that when I make any statement on the floor of the House in the public interest, I am ready and prepared to repeat it in public interest whether sheltered by the privilege of the House or not. I, at least, never attempted to shirk my responsibility or shelve the discussion on the subject, sheltered by the rules and regulations of the House or by raising points of order. Sir, when I move my cut I shall demonstrate that by lack of supervision over coal transactions of the Railways, the Commerce Member has made the Government and the Railways lose half a crore of rupees from year's end to year's end.

Sir, the purchasing power of the public has been decreasing in an alarming manner and this was clear from the Honourable the Finance Member's own showing. In spite of the increased duty, the ton of sugar

which cost Rs. 312 in 1926-27, cost Rs. 237 in 1930-31, and on a five years' average, a quantity of about 850,000 tons was the expected figure of import, whereas the consumption has dwindled down to 475,000, i.e., almost to half, although the price was 30 per cent. cheaper than before in spite of raised taxation. That demonstrates clearly how the purchasing power of the people has been diminishing year after year.

During the last 11 years, the Central Government, according to my Honourable friend, Mr. Mody, lived beyond their income to the tune of 56 crores. But how much more it would be since the time of the change of Capital to this dead city of Delhi can well be imagined. The overhauling of the departments, however, there must be, as otherwise the Finance Member will find that he can no longer go on. The Military expenditure can also be further reduced. Whenever we proposed a reduction in the Army Budget we were told it had reached its limit and there was no room for reduction. But yet we see that from 56 crores in 1927, it has come down to 46 crores 74 lakhs in 1930-31. The Military Budget is yet too heavy, and if there is a will to curtail it, a way can be found out. His Excellency the Commander-in-Chief would be doing a distinct service to India if he would look to further reduction in the Army Budget.

Hony. Captain Rao Bahadur Chaudhri Lal Chand (Nominated Non-Official): Sir, the rapidity with which events have been moving in the past, and the complications that have cropped up during the last two or three months make the task of administration very difficult. The present political situation alone was enough to embarrass any Government and if we take into consideration the financial strain all the world over affecting our economies, the task becomes still more difficult. To frame a Budget, a correct estimate of the income and expenditure, at such times is an extremely difficult task.

The Budget that has been presented to this House reflects the greatest credit on the Honourable the Finance Member and his lieutenants. The lucid statement and the exhaustive explanatory notes show how much time and energy he must have given to it. Ever since the beginning of the session, the Honourable the Finance Member has had to devote most of his time here, and judging from the voluminous and lucid information he has placed in our hands, it appears he must have been working very hard outside Assembly hours. Our sincere thanks are therefore due to him and to his subordinates.

Sir, we are passing through the most critical period of Indian history. There is on the one hand a political unrest of vast magnitude, and there is also an unprecedented financial crisis. I will not discuss the political unrest to-day except in so far as it affects the Finances of the State, and will confine my remarks to the financial measures taken by the Government. The appointment of Retrenchment Committees and the Finance Bill showed that Government wanted to tap all the resources and to stop all waste. But with due regard to the recommendations of the various Committees, whose arduous labours have been applauded by the Honourable the Finance Member, I sincerely believe that the retrenchment proposals fall far short of the needs of the situation and unless a drastic step is taken to reduce expenditure, it will be difficult to carry on. The services are still very expensive and the machinery of Government is still

[Bhai Parma Nand.]

practical way out of that difficulty as it confronts us, but discussing it from a theoretical point of view, I would say that the grant of this subvention is not only a departure from constitutional principles, but it is in direct contravention of the fundamental principles of the constitution. We know, as a matter of fact, that the North-West Frontier Province has been a charge on the Central Government ever since it was created into a separate province. But now the position has altogether changed. Before this time the Province was subject to the control of the Central Government, and the Central Government had full authority and control over the Government of that province. Well, the people of that province wanted to have autonomy and representative institutions. Naturally their aspirations have been met by the Government with approval in spite of the opposition of certain classes and certain sections. Now that they have got representative institutions, the question arises, why should the Central Government pay for the expenses of this new province? This is my main objection to the grant of the subvention. (*An Honourable Member*: "Amalgamate them with the Punjab.") Do it by all means. That is what we wanted. When this province was first separated from the Punjab, the expenditure was only Rs. 74 lakhs a year, and during all these years the expenditure has been continually increasing, reaching the limit of Rs. 364 lakhs in the year 1927-28. The deficit, which was only Rs. 88 lakhs then, has gone up to Rs. 284 lakhs, *i.e.*, 7½ times what it was. This question of this increasing expenditure was before the Government of India, and they in their despatch discussed it and traced its history. They say, when the province was separated, its management quietly was made over to the Government of India and all its expenditure was made a part of the Budget of the Government of India. No regular settlement was made between the two Governments. For some years a kind of domestic arrangement prevailed between the Government of India and the Chief Commissioner. But soon after, it was found that half the cost of expenditure proved greater than the whole of the revenue and the Government of India made up the difference by a so-called "assignment". This assignment was gradually given up, and it was found after some time that the expenditure on this province had grown so big that the Government of India found some difficulty with regard to the distribution of the money for administered and non-administered areas. We know that the Frontier territory is divided into two parts; one is the five administered districts, and the other is the tribal area, the non-administered districts. Of this tribal area, nearly half is under the influence of the British Government and the other is under the influence of Afghanistan.

Major Nawab Ahmad Nawab Khan (Nominated Non-Official): It is not right. They are semi-independent. They are not under Afghanistan.

Bhai Parma Nand: I am not saying that they are under Afghanistan, I said that they are under the influence of Afghanistan. The greater portion of this expenditure was incurred on the maintenance of order in the non-administered areas. Finally, for the purpose of re-casting the claims of these areas, an officer was appointed on special duty to distribute between the settled districts and the tribal area the revenues and expenditure of the North-West Frontier Province. The officer submitted his report but nothing definite has yet been decided on that point.

My second objection to the grant of a subvention of one crore of rupees to the newly created province is the extravagance of the Frontier Government. From the figures we find that the Government of the North-West Frontier Province has been very lavish and free with other people's money and its expenses have been increasing every year. I would just like to quote certain figures. Taking 1927-28 as the basis of comparison between the North-West Frontier Province and other provinces, we find that under Land Revenue and General Administration, the expenditure per head in North-West Frontier Province is 1·04, while it is ·66 in Madras, ·36 in Bengal, ·50 in the United Provinces and ·28 in Bihar and Orissa, ·71 in Central Provinces and ·65 in Assam. Similarly turning to jails, justice and police we have got expenditure per head 1·4 in North-West Frontier Province, while in other provinces it is much less than this. It is ·76 in Bihar and Orissa, ·54 in Assam and so on. Taking educational expenses, very nearly the same proportion goes on. Now taking the lowest scale of expenditure per head in the major provinces, the total expenditure in the North-West Frontier Province should have been only 32 lakhs, whereas it actually rose as high as 145 lakhs, which shows that the province has already a very expensive machinery of Government and that the province is spending much more than other provinces of the country.

4 P.M.

Mr. Abdul Matin Chaudhury: What are the figures for education?

Bhai Parma Nand: Under education, Sir, taking 1927-28 we find that the North-West Frontier Province spent ·79 per head, while in Madras it is ·52, for Bengal it is ·33 and in the United Provinces ·31. So in education also the North-West Frontier Province is spending more per head than any other province. Therefore we ought to think twice before we make the machinery of the Government more expensive than it is already. I take the words of Mr. Ghuznavi on this point, that the reforms and the representative machinery attached with them are really the cause of all our deficits and heavy expenditure. If that be so, Sir, we have to think twice before we add to the expense of a province which is already dependent on others.

What I mean to point out is this, that if the people of the province want to have representative machinery, they should not expect money to flow from other parts of the country in order to keep up their Government. They should openly declare that they are ready to shoulder their own burdens. I don't think any of us should object to the grant of self-government or representative institutions to any part, but to grant representative institutions to a people who are not prepared to bear the expense of the machinery of the Government can in no way be justified. Such people do not deserve such privileges in any form. To give a grant of a crore of rupees to a province of 25 lakhs of people means giving away Rs. 4 per man every year and that sum has to be taken out of the pockets of the tax-payers of this country, who are no doubt much poorer than the people inhabiting the Frontier province. If the Frontier people are unable to pay the expenses of more highly developed Government they should rest content with the least expensive machinery.

One argument that is very often put forward, is that the Central Government should bear all these expenses, because the North West Frontier Province people are our gate-keepers. I say it is an utterly fallacious

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butter from taxation for the small landholders. I accept this argument. But is not industries a provincial and transferred subject, and have not Government and this Assembly agreed to give bounties to certain favoured industries and to interests which had influence here? The time has come when agriculture should be classified as the biggest industry in India. The land revenue policy needs complete overhauling and the small landholder who cultivates his small holding should be given a margin of bare subsistence before he is taxed.

Sir, we are very grateful to the Honourable the Finance Member for leaving us free at the time of the Finance Bill in November last. But I am no less surprised at the easy way in which paragraph 2 of his speech has been drafted by the Honourable Member. While describing the general economic position, he says, "India had quite a *normal year* as regards agricultural production". This gives the Honourable Members here and the world outside an impression that the condition of the agriculturist is normal.

Sir, this is not so. If this had been so, the Punjab Government and the United Provinces Government would not have had to give general remissions in land revenue and *abiyana* on a liberal scale. The Punjab's remission alone amounts to about 2 crores during the course of this year. But there is a Persian proverb:

"Shunida kai buad manind didah."

"What you hear can never be like what you see". For this purpose I would refer to the economic position of a district just on the other side of the Delhi Cantonment. The Government of India circulate papers and blue books whenever there is any emergency. I would propose, Sir, that in this case Honourable Members may be circulated or taken round in Gurgaon District to have a look at this agricultural *prosperity*. I learnt with great sorrow from the Deputy Commissioner of that district some time ago that the arrears of land revenue and other dues like *takavi*, etc., amounted to 70 lakhs. This figure would have reached a crore if the Punjab Government had not been liberal in remissions of land revenue and *abiyana*. To this may be added another 30 lakhs due to co-operative societies and Central Banks.

Sir, the peasantry is regarded as the backbone of a country. Can this bone remain safe when this heavy burden is on the back? I have searched in vain in the volumes supplied to us to find an equivalent of bounties paid to industrial concerns. There is no such machinery for agriculturists as the Tariff Board is for industrialists. There is not a pie set apart for the amelioration of the condition of agriculturists. Let Government set an example, at least in Delhi and Ajmer, which areas are directly under them. Let the present system of assessment of land revenue be modified to give an exemption on the lines of income-tax, and let bounties be granted for freeing the agriculturist from this debt. Money will be needed and the only source is retrenchment. If any officer objects to cuts, let him be made to tour in Gurgaon district and see the position for himself. The Lordly atmosphere of New Delhi with its green plots during the day and dazzling lights at night is hardly fitted for economy in expenditure.

The question arises, why are we quiet, and why do we not give utterance to our grievances? The reason is not far to seek. We are convinced that there will be *Kuraj* (anarchy) before Swaraj, and it will be then time for the poor classes to make good their losses.

Mr. B. Das: You agree with Pandit Jawahar Lal Nehru.

Hony. Captain Rao Bahadur Chaudhri Lal Chand: I believe in what I have said. Sir, one word more, and I have finished. The depressed classes were neglected by the Hindus, and to-day they are being sought after. On the one hand, a Moonje-Rajah pact is being advertised, and on the other, Pandit Madan Mohan Malaviya is giving *Diksha* to them in Benares. This is all exploitation for a monopoly of the loaves and fishes of Government. Numbers do count when democracy is in sight, and I hope my Honourable friend Mr. Rajah will not allow these classes to be exploited either by Colonel Sir Henry Gidney or by Dr. Moonje. My sympathies are with them, because if they are *depressed* we peasants are *oppressed*. We are all in the same boat.

Sir, I will refer to one more point before I close. The present agitation in India is causing heavy expenditure to the administration. But if you go to an ordinary villager, he will ask for a remission in taxes instead of Swaraj. He wants bread first and Swaraj afterwards. Pray assure him that the burden of the extra expenditure on suppressing movements calculated to create disorder in the country will not fall upon him. If sums amounting to nearly three lakhs of rupees are to be spent on one case in Delhi alone, the taxpayer will be dissatisfied and discontent will increase. Steps should be devised to locate the extra burden on shoulders responsible for this disorder. The innocent should not suffer with the guilty. The Government's primary duty is to maintain law and order, and that includes perfect security to peaceful citizens.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): Sir, the balancing of the Budget is intimately connected with taxation. Yesterday, when the question of taxation was under discussion, it was said on behalf of the capitalists that the taxable capacity of the rich people had reached its last limit. On the other hand, it was urged by the representatives of the labouring class, that the poor people could not pay any more. Both the parties are perhaps right. I want to deal with the question of taxation from another aspect.

I think this question of taxation is deeply connected with the question of constitutional problems, and on that point, I wish to make a simple criticism on the subvention that has been granted by the Honourable the Finance Member and the Government to the newly created province of the North-West Frontier. Reading the history of England, and more particularly the development of constitutional progress in that country, I find that the fundamental principle in which all constitutional progress takes its origin, is the principle that there can be no taxation without representation. The kings who wanted to tax the people were compelled by their subjects to first of all take their consent through representatives chosen by them before levying any taxes on the people. Let us consider this subvention from that point of view. Perhaps there can be no

[Bhai Parma Nand.]

argument. I do not think that the North-West Frontier Province in any way performs the duty of gate-keeping for the rest of India. If they could have done so, there would have been no need of such a large Army. We have to spend more than 60 crores a year on the maintenance of our Army, a thing against which every one of us grumbles when he talks of the expensiveness of the Budget. The real gate-keeping is done by the Army besides the Frontier Watch and Ward, which gets about 96 lakhs every year from the Central revenues. Again 90 lakhs are spent on the Political Department. They are also taken from the Central revenues. From the present indications, we can form no definite opinion as to whether the sympathies of the Frontier people would be on the side of India at the time of any foreign invasion. I do not think therefore that this argument about gate-keeping has any substance behind it.

This subvention is nothing but a concession to the Muslim communal demands, as they are found in the 14 points of Mr. Jinnah. I do not grudge even that. The Frontier people want representative institutions, but they are not able to bear the burden of expenses and they should at least admit that the Muhammadans are getting favoured treatment. The other day when the Railway Budget was discussed, I quoted figures from the report of Mr. Hassan to show that one-fourth of the appointments of subordinate and higher services were in the hands of the Muhammadan community and they had no right to clamour every time for more Muslim representation in railway services. What happened then? So many of the Members of the Muslim community got up and attacked me saying that I was a communalist and a Hindu Mahasabha man. Why? Because I was opposing communalism in services and in other matters. (*Some Honourable Members*: "Question.") Sir, if a man speaks the plain truth, he thereby becomes a communalist, and the people who make it a business to clamour for communal privileges, are not communalists.

There is one thing more. My Honourable friend, Sir Henry Gidney, said on a previous occasion, that we wanted to oppose, while he and his community wanted to support, the communal claims of the Muslim community, while our case was that services should be given on the score of merit and efficiency. But today while urging the claims of Anglo-Indians he says, because they have been the main factor in the building up of railways in India the Anglo-Indians have got preferential claims. I admit that that claim should be recognized by us, and I certainly did not say that they do not have any right to these services, but, on the same analogy and on the same principle, Sir Henry Gidney and his friends should acknowledge that those people who have been giving their services all these years for the building up of the railway system, have a right not only to continue in service but even to have some preference. Who can deny that members of my community have been rendering a great service in the building up of railways and in the administration of the country, should not be turned out and supplanted by new persons who have hitherto done nothing, and who have been, so to say, sleeping all this while. I contend, Sir, that it would be inflicting a grievous wrong on members of my community that they should now be sought to be turned out in the street and their places given to another set of people,—not on the score of higher or equal efficiency and merit, but simply on the ground that their population ratio is so and so . . . . .

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

Maulvi Sayyid Murtuza Saheb Bahadur (South Madras: Muhammadan): Sir, as facts and figures have been fully dealt with by previous speakers, I shall not take up the time of the House in dealing therewith, but, as one who has seen the ups and downs of life, I shall give a piece of advice to the Government. Sir, the repressive policy that they have adopted is not at all calculated to mend matters (Hear, hear), or to improve the financial crisis the country is passing through. Sir, this state of affairs will prove disastrous not only to the governed but also to the Government. (Hear, hear.) Sir, the best course, therefore, to be adopted by the Government is to resort to the course adopted by Lord Irwin. (Hear, hear.) Sir, many of my Honourable colleagues may differ from me (*Voices*: "We all agree"), but I am strong on that point. (Hear, hear.) But there is this difficulty, Sir. If Members of Bhai Parma Nand's stamp should come forward to say that they are nationalists and that they are not communalists at all, well, then many of the Members that belong to the minority community have to think twice before they can enter into any sort of pact with the majority community. (Hear, hear.) Now, my Honourable friend, Bhai Parma Nand, the other day did not like the idea that Mussalman claims should be put forward before the House. Today he comes forward to protest against the subvention to the N.-W. F. Province, and in doing so he criticizes the Government for spending so much for the N.-W. F. P. Administration. He says that the Pathans are not the gate-keepers of India and so they do not deserve any concession whatsoever. But he is a new-comer to the Assembly; he has not taken care to go through the Report of the Committee which was presided over by Sir Denys Bray, the then Foreign Secretary. (*Bhai Parma Nand*: "I have read the Report, Sir. The Hindu members were opposed to the proposals.") What is the recommendation of that Committee, Sir? Can my Honourable friend repeat some salient portion of the Report, if he has read it at all? That Committee recommended long ago that reforms should be introduced into the N.-W. F. Province for the reasons set forth in their Report, and it was in 1926, that I moved a Resolution in this House recommending to the Governor General in Council that reforms should be introduced into the N.-W. F. Province and that that province should be placed on the same level as the other provinces in India. Even then, Sir, some of the staunch nationalists like Pandit Madan Mohan Malaviya, a leader for whom I have got a personal regard, as much regard in fact as Bhai Parma Nand himself has, becasue he is my personal friend, even they opposed it, and if I remember correctly, the present Leader of the Nationalist Party also did not favour that Resolution, and I am also sorry to say that the *ex*-member of the Nationalist Party, Diwan Bahadur T. Rangachariar, whom I miss now today, opposed it tooth and nail. Then another leader, Sir Sivaswamy Aiyer, belonging to the Liberal Party, even he did not give vent to his liberality here. Now here comes Bhai Parma Nand, who levels the charge against Muhammadans that they are communalists. Now I ask, is not my Honourable friend a communalist when he opposed this thing yesterday, Sir? Mr. B. Das wanted to move an adjournment motion on some other ground yesterday. That is a different matter.

Mr. B. Das: I want that the money should be distributed to all new provinces and not to the N.-W. F. Province alone.

Maulvi Sayyid Murtuza Saheb Bahadur: But now the reason assigned by Bhai Parma Nand is a quite different one altogether. The House is fully alive to the fact that the Hindu Mahasabha of Dehra Ismail Khan particularly, and other Mahasabhas opposed the introduction of reforms into the N.-W. F. Province even till some time ago, but now that it has been made a separate province, the Hindus are going to get 5 seats out of 28 seats, and our Sigh brethren also will have a seat,—out of 28 elected seats. (*An Honourable Member*: "40 seats.") We do not attach any importance to nominated seats which are included in that figure. Out of 28 elected seats, six go to non-Muslims, and only 22 go to Muslims, and we do not grudge it. On the contrary, we feel glad that our Hindu and Sikh brethren get six, that is, nearly 24 per cent. Had they got 25 or even 30 seats, we would not have grudged it, unlike my Honourable friend, Bhai Parma Nand.

Bhai Parma Nand: I am very glad to hear it.

Maulvi Sayyid Murtuza Saheb Bahadur: Thank you. So, Sir, the spending of one crore of rupees and that too for three years, is objected to. We do not know how matters will shape themselves after three years.

Mr. B. Das: It will be for 100 years at least.

Maulvi Sayyid Murtuza Saheb Bahadur: Thank you. If we get nationalist brethren like you, there will not be any difficulty. Now two crores of rupees are spent on strategic lines, but Bhai Parma Nand has not a word to say against that. If however one crore is spent for the benefit of Mussalmans—and not for them only but for Hindus, Sikhs and others put together—even then, because the Muslims form the majority there, my Honourable friends will come forward under the guise of nationalism to oppose us; in reality, Sir, I say they are communalists of the first order.

Now, a word to the Government. So far as our Honourable friend the Finance Member is concerned, we should necessarily sympathise with him because he is placed in a very delicate position. We fully realise the position in which he finds himself as he also does, but so far as the military expenditure is concerned, I would make an appeal to him to enlist the further co-operation of His Excellency the Commander-in-Chief and also of the Secretary of State, so that 48 crores might not be the minimum expenditure on the military. In fact, it will not be 48 crores but it will be 50 crores, including the two crores that has been spent on strategic lines. So, Sir, our financial difficulty could be tided over to a great extent if palpable saving is effected in that direction. The sooner this is done the better. There is my Honourable friend, Sir James Crerar. For him and for the rest of the House I will quote only one couplet in Persian and with that I will conclude my speech.

"*Unchi dana kunad, kunad nadan,*

Lek bad az kharabiye bisyar."

Translated into English, it means this: "The unwise employ the same method as the wise for achieving his object, but the difference is that the wise will embrace the earliest opportunity of doing so, but the unwise [illegible] day after the fair." So I would request the Government not to be dilatory, not to be one day after the fair, but to take prompt action in this direction, so that our financial condition may be improved. (Applause.)

Mr. President (The Honourable Sir Ibrahim Rahimtoola): I should like to ascertain the wishes of the Honourable House as to whether they wish to sit to a later hour or whether they wish to close now and allow the Honourable the Finance Member the necessary time to reply on the whole debate. The Chair is perfectly agreeable to sit to a later hour if that is the wish of the Honourable House. Does the House wish to close? (*Several Voices*: "Yes.") I take it that the House agrees that the debate should now close and I therefore call upon the Honourable the Finance Member to reply.

The Honourable Sir George Schuster: Sir, I must commence by saying that, generally speaking, I feel that I have nothing to complain about in the tone of this debate. Honourable Members, on the whole, have been most kind to me, and I think that they have stuck, if I may say so, rather more closely to the point of the Budget in this debate than is usual in the case of general discussions on the Budget. My Honourable friend, Mr. Mody, was particularly kind. He tried to "temper the wind to the shorn lamb" by asking me to appreciate that if he delivered blows at me, I must take it merely as a sign of desire on his part to keep my interest alive in the debate. I think, Sir, that even without that kindly softening of his blows, I should have been able to stand the wind. The wolf's clothing which I now have to wear affords a sufficiently thick protection.

Sir, I am left at the end of the debate in this position,—if I might adopt a simile from a game of cards with which some of us are familiar. Having started the deal myself and having seen what the other players had to say and what they did in the way of taking cards, I feel that I can stand on my own hand. I am taking no further cards. I am quite content with the statement of the case as I put it in my original speech, and I would ask Honourable Members to go carefully through that again and through the papers we have circulated, for, I believe, that they contain satisfactory answers to practically all the points that were made. Sir, I started by saying that I was grateful to those who have spoken in this debate for the way in which they had dealt with the subject and particularly for the remarks which many of them made about myself. I should like, if I may, to say that there is one particular element in those remarks which I do appreciate and should like to feel that I deserve, and that is the appreciation of my attempts to be clear in the statement which I put before the House. In spite of the somewhat double-edged compliment which my Honourable friend the Leader of the Nationalist Party paid to me, I did not endeavour to practise any art in putting forward that statement (Applause) except the art of giving a clear statement in order to avoid any sort of misunderstanding.

(At this stage Mr. President vacated the Chair which was taken by Sir Hari Singh Gour.)

A good deal has been said in the course of the debate about the limitations under which a Finance Member in this country must labour today in the present circumstances. I freely admit that. Indeed, it is one of the main points of my whole statement of the case that in the course of

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these great tidal movements of economic forces, no Finance Minister or Finance Member can really prevent or alleviate the main causes which are at work. That is really the dominating factor in the present situation, and I do not accept what was said about the special limitations that apply to a Finance Member sitting here today. To those who say that, I would reply: Look round the world and see how other Finance Ministers are dealing with their task. I think it is probably true to say that in no country is there now a Finance Minister in office who has remained in office throughout the critical period of the last three years. If there is, he has probably already lost his reputation. (Laughter.) I suppose the nearest parallel is Mr. Hoover, the President of the United States. There you have an example of an extremely able man, whose efforts to stem the economic forces have been unavailing And when the people of this country say, let the Government try to alleviate the situation, I would ask them to look at what has been done or attempted in the United States in the many measures which they have attempted. When this crisis came upon them, their general attitude was: "We are so business like and our country is so resourceful that we can laugh at this kind of economic crisis. We shall devise methods to make ourselves immune." And yet I believe it is fair to say now that there is no country in the world which is suffering more severely from the economic crisis than the United States. That I think may be pointed to as an example of the limitations of Governments to deal with a crisis of that kind.

One may look to another form of Government which has taken other forms of action. One may look to Russia and the Soviet Government. None of us know exactly how they are getting through the present crisis, but to those who feel that Russian methods might be suitable to this country, I would say, study what has happened, read the books and ask yourself whether this country would submit to the tyranny which is necessary if the Government of any country is going to try and deal with the economic situation as the Russian Government has done. I do not for a moment believe that this country would stand treatment of that kind, nor do I believe that India, whether under the present Government or in the future, would be able to throw up a Government which could deal with the situation in the ruthless manner which has been adopted in Russia. Looking round the world, I believe there is only one country which shows us an example which all would wish to follow in dealing with the present crisis and that example I think we may fairly claim is that of the British Government. What has happened there is not an illustration of the ability of any particular man who happens to be holding office. Indeed it is pertinent to remark that the present Government came in to prevent something happening which happened a very few weeks after they came in, and which many people say was the real cause of the favourable change in the situation and of their present success.

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

It cannot be claimed that it is the ability of any individual, but what one can say is that there the nation responded to the need and the nation said: "We are determined to have our financial affairs managed on sound lines and we are going to put into power the sort of Government that we think will do that." That is what England is doing to-day. That is what

all countries are looking to with increasing respect. And that I believe is the lesson to be learnt from what has been happening in the world during this unparalleled crisis. No human skill of any particular individual can alleviate its effects, but if a nation pulls together and is determined to make a national effort then they can face any crisis without fear of any disaster.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): May we have a national Government here?

The Honourable Sir George Schuster: Now, Sir, before I deal with the main points which I can regard as affording the main "motif" of the Budget debate, I might take one or two special points to be selected from the various speeches. My Honourable friend the Leader of the European Group asked us in future to insert in the Financial Secretary's Memorandum a longer statement of the financial results of Government. This indeed we did consider, but the difficulty is of course that the figures in the years before 1921, and before the reforms. were made up on quite a different basis, because there was not the same distinction between provincial and central finance. Therefore it would be very difficult to prepare a table on the same basis going right back over all provinces. I shall have more remarks to make on this a little later on in my speech.

My Honourable friend Mr. B. Das referred to the two orphans that we were now adopting, I think that was his phrase, Aden and the North-West Frontier Province. I do not think that the expression is quite apt—particularly not in the case of the N.-W. F. P. That is no case of adopting an orphan, but rather of sending a young man out into the world when he has attained his majority. Now, as regards Aden, my Honourable friend expressed some anxiety that when Aden came under the Central Government, the expenditure might increase. I do not think that he need have those fears, at any rate that is not a matter that arises to-day. As regards the N.-W. F. P., I do not wish to deal with that in detail now, because I understand there will be a fuller opportunity for discussing that in connection with the Demands for Grants. I only want to say this, that a great many speakers have referred to this subvention of one crore as though it were some new gift to the province. I think Honourable Members who have read my speech will appreciate that that is not the case at all, but it is simply the result of preparing the Budget in exactly the same way as we should have prepared it if the province remained under the central administration. My Honourable friend, Mr. Das, also made a suggestion that a committee should be appointed on the incidence of taxation. It may be that certain further enquiries in which Government might be associated with un-official representatives would be of value in the coming year, but I do not think that any special enquiry into the incidence of our present taxation is exactly what is required. What we require rather is to undertake a task to which I referred in the closing passages of my own speech, we want to watch how the existing taxes are working and consider whether they should be modified as part of our permanent system of finance or whether there are any alternative methods which could be devised so as to produce that popular effect which is described as broadening the basis of taxation. I notice that although I heard a good deal about that in the course of the November debates, and although many people promised to give me ideas on that subject, no one has been particularly bold in coming forward with practical suggestions. My Honourable friend, Mr. Das, did

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I cannot leave these special points without making some sympathetic reference to what fell from my Honourable friend Diwan Bahadur Harbilas Sarda about his beloved home-place, Ajmer-Merwara. I am sure we all sympathise with him, but I do not think that he can fairly claim that what has been done as regards the North-West Frontier is an excuse for asking for generous, I may even say charitable, treatment from the general body of tax-payers in India for his own home. I think that that would be the general sense of the House and much as we sympathise with my Honourable friend, I think our reaction to what he said must remain one of sympathy.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): I only want sympathetic treatment and nothing else.

The Honourable Sir George Schuster: Then, Sir, turning to what I may call the main themes of this debate, one point which has received a good deal of consideration has been that as regards the incidence of taxation; and there certain remarks which I made in my Budget speech have, I must say, cast a sort of apple of discord into the ranks of those who sit opposite to us in this House. Yesterday a conflict was waged between my Honourable friend Mr. Mody and my Honourable friend Mr. Das. Then my Honourable friend on my right, Mr. Joshi, joined in, and I thought that I should be left to give a sort of judgment of Paris between these three. But this morning they were joined by another goddess, my Honourable and gallant friend Sir Henry Gidney. He is, I must say, what I might describe as a whole-hogger, or perhaps, to use a suitable synonym, an all-salt man. It is refreshing to find somebody with such a simple doctrine, but I doubt very much whether his doctrine would achieve success in the House if we had embodied it in practical proposals. Now, Sir, I do not wish,—and the time does not permit me,—to go in detail into all that was said on this subject. What I do wish to point out, particularly to my Honourable friend Mr. Joshi, is this, that in making the statements which I did I was trying merely to put before the House an absolutely impartial objective review of the facts. There are certain interesting facts which are thrown out in what is happening now, and I do think it most important that the public should realise what is happening. However anxious we may be to avoid increasing the burdens of the poor,—and no one is more anxious than I am to avoid that sort of result,—it is impossible to get away from the fact that so far as Customs duties are concerned, there appears to be a very definite limit to what we can raise in the form of revenue from certain kinds of Customs duties. It is also apparently clear that even in these hard times with increases of rates on certain of the common necessities it is possible to get more revenue. Those are inescapable facts, and whatever my Honourable friend may say about the purchasing power or the general condition of the people, those are facts which appear from our revenue returns. The House can make what it likes out of those facts. I merely stated the case. That is so far as concerns Customs.

My Honourable friend then went on to say that so far as income-tax is concerned he thought it desirable that we should spread our net wider. That is a question which perhaps in the future we may be forced to consider. I personally should be extremely unwilling to do it, because

I do not think my Honourable friend appreciates what the administrative difficulties would be in including those very small incomes which he would seek to include. It has been bad enough to go down to one thousand: that meant actually a doubling of the total assessees in the country, putting another 350,000 on to the list. If we were to go down still further to 500 rupees, the administrative difficulties would be very great indeed.

Then another main point that has been made in the debate was this: a generally expressed opinion that we shall not realise our estimates. Now I think no one who reads my speech will blame me for any lack of caution in the way in which I presented my case. I made it quite clear both now and in the earlier debates in September that, in the present disturbed world conditions, it is impossible for anybody to be sure of realising his estimates. But the point that I want to put to the House and the question which I have had to ask myself is this: are we, because the world conditions are now disturbed and because our estimates are liable to go wrong, entitled, on the evidence before us now, to ask the House to vote us further revenues and further supplies? The answer to that, I think, is quite clear. Our estimates have been made up on a very reasonable and conservative basis, and I could not have come to the House at this stage and said "Give me more money. I must have a larger margin of safety." That is a point which I am sure will be appreciated by my Honourable friends in every quarter of the House. But what they would say, I have no doubt, in reply is, "Certainly we wish for no more new taxation: that is not what we should have suggested: but we think that you should have provided yourself with a margin by further measures of retrenchment." Now I do not intend to enter upon the question of Retrenchment in any detail today. I look to my Honourable friend, the Leader of the Independent Party, as likely to be a protagonist of the retrenchment argument in any debate which we have in this House. He himself, in the earlier stages of this debate, had a sort of look in a cautious way at the fence, and I thought he was going to take it and go on and continue his course over the retrenchment field; but he did not seem to like the look of it very much today,—apparently his two prompters on either side were not quite ready with their figures, and I gathered that he thought discretion was the better part of valour and that he would live to fight another day. So I shall wait until my Honourable friend delivers his attack before I deal fully with what he has to say. But I may again refer to the very full information which we have circulated and I do sincerely hope that Honourable Members will study that information. I also hope most sincerely that we shall find time to have a really thorough discussion of this subject, because we on this side are most anxious to listen to any arguments that may come from my Honourable friend, who was Chairman of the most important Retrenchment Sub-Committee or from any other quarters of this House, and to consider whether in any way it will be possible for us to go further than we have done. I assure him that I shall listen to his arguments not as one who is waiting to pick holes in them, but rather as one who is anxious to obtain ideas and suggestions from him.

There is one small point in this connection to which I would like to refer. My Honourable friend referred to the point that he had not received any particulars of the terms of compensation which the Government propose to offer to retrenched officials. I shall have great pleasure in providing him with copies of all the documents relative to that subject and

[Sir George Schuster.]

I will make arrangements to circulate them to Honourable Members so that before the debates begin on the grants next week, they may have a chance of seeing what we have been doing in that matter.

Having taken that line, I think that it is unnecessary for me to say anything more on retrenchment and therefore I will leave alone one of the arguments of my Honourable friend, Mr. Mody, who came out with that somewhat familiar slogan that what was really required was a complete overhaul of Government expenditure. I can assure him that Government expenditure has had a very complete overhaul during the past year and if he can turn either to the civil or the military estimates and find any changes which we could introduce which would make a substantial modification in the financial situation short of very large reductions of troops, (and that raises quite different issues), I can assure him that I should be very much surprised. Indeed, as I know that he is a man who is not averse to taking a gambling risk, I shall be prepared to lay him a very large sum of money that he will not succeed.

Before I close, I would like again to refer to those four tasks which I mentioned in the very last portion of my Budget speech. I do want to hear what Honourable Members have got to say on those points, and I am somewhat disappointed that I have not heard more about them in the course of this debate. I have only one more word in conclusion. Some Honourable Members in speaking today, and some of those who have commented on my Budget speech in the Press have alluded in very critical terms to what they describe as my complacency about the situation. I can assure Honourable Members that there is no element of easy complacency in the way in which we view the present situation. We are not, as some of our critics suggest, living in a fool's paradise. I think I can claim my Honourable friend, the Leader of the Nationalist Party, as witness to my own capacity and as evidence in support of the thesis that the epithet of a fool does not apply—he certainly gave me a very different character today,—while I can certainly assure the House that none of us are in danger of mistaking this country, as it exists today, for a paradise. We realise that we live in the midst of very great difficulties and that there are most important tasks still to be performed before we can say that the country is re-established in a sound position. But I would ask Honourable Members what possible service it can be to this country to exaggerate the difficulties and make the situation out to be worse than it is, or what possible service it can be to India that any section of the public of this country should interfere with the Government in its honest attempts to perform those tasks which remain to be performed.

The Assembly then adjourned till Eleven of the Clock on Friday, the 11th March, 1932.

SECRET 21 MAY

LEGISLATIVE ASSEMBLY.

Friday, 11th March, 1932.

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

STATEMENTS LAID ON THE TABLE.

GRANT OF EXTENSIONS OF SERVICE TO OFFICERS OF THE INCOME-TAX DEPARTMENT, BOMBAY.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, with your permission and on behalf of my Honourable colleague Sir George Schuster, who is detained in another place, I lay on the table the information promised in reply to question No. 582, asked by Mr. S. G. Jog on the 29th February, 1932, regarding the grant of extensions of service to officers of the Income-tax Department, Bombay.

(*a*) Seven gazetted officers in the Bombay Income-tax Department have retired during the past five years.

(*b*) To three of these officers, no extensions were granted. To the remaining four, extensions had been granted, the length of which varied from about five months to five years. Two other officers are still in service to whom extensions of one year and one year and 4½ months, respectively, have been granted.

(*c*) and (*d*). Extensions of service are regulated in the Bombay Income-tax Department, as elsewhere, by Fundamental Rule 56 (*a*). The officers in question were retained in service in the public interest, since in a comparatively new Department it is sometimes desirable to retain the services of experienced and competent officers as long as possible.

MILITARY POWER HOUSES.

Mr. G. M. Young (Army Secretary): Sir, I lay on the table the information promised in reply to parts (*b*), (*d*) and (*e*) of starred question No. 127 asked by Mr. Nabakumar Sing Dudhoria on the 3rd February, 1932, regarding military power houses.

(*b*) Allahabad Fort, Benares, Bareilly, Jhansi, Meerut, Nagpur*, Kamptee†, Sialkot, Lahore and Multan*.

(*d*) One European is employed in Meerut and none elsewhere. In the military power houses in the Punjab, the Indian Superintendents are under the supervision of military mechanists employed as Sub-Divisional Officers who supervise other installations in addition to military power houses.

*The supply at these two stations is taken from the private company and the Military Engineering Services plants are for use in emergency only.

†The Company's plant is at Nagpur, ten miles distant from Kamptee.

(c) The pay of Power House Superintendents, whether European, Anglo-Indian or Indian is—

1st Grade, Rs. 250—10—350 a month.
2nd Grade, Rs. 150—10—250 a month.
3rd Grade, Rs. 100—10—150 a month.

The posts are non-pensionable.

ELECTION OF THE STANDING FINANCE COMMITTEE.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, with your permission, as my Honourable colleague, the Finance Member, is detained in another place, I desire to move that this Assembly do proceed to the election for the financial year 1932-33, 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 Chairman of the Committee.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I would not have liked to say anything in the absence of the Honourable the Finance Member, but unfortunately there will be no other occasion when I could speak on this subject of the utility and powers of the Standing Finance Committee. This Standing Finance Committee was established by a Resolution moved by the Honourable Sir Malcolm Hailey on 22nd February, 1921, in which he clearly said that:

"The proposal I now put forward is not in pursuance of a rule but is in pursuance of a decision at which we ourselves have arrived and which we believe will be of advantage to us and to the Assembly. This Finance Committee has been established by the Government and the rules have not been framed by this Assembly."

During the debate the Honourable Sir Malcolm Hailey prophesied that this Standing Finance Committee would develop into a powerful body, and I think I should quote his own words:

"I think, as time goes on, it will be found that the Committee take up a very much wider scope of work on behalf of the Assembly than I have laid down today. But tentative as my proposal is, I hope that the Assembly will accept it. The fact is, Sir, that we want, if we can, to utilise for our own advantage the brains of those Members of the Assembly who have had knowledge of finance or administration. We want to use their experience on our own behalf. If the Assembly will give us the advantage of that assistance, nothing but good, I think, will result from it."

Therefore from this quotation it is evident that the intention of the then Finance Member was to take the Finance Committee into confidence so that the Finance Committee should defend the financial policy of the Finance Member in the Assembly. That was the chief reason why this Finance Committee was established, but to our great surprise we find that even the little thing that was promised that day has not been fulfilled by the Finance Member. The Honourable Sir Malcolm Hailey said:

"I propose therefore, that for the future, the Standing Finance Committee, if it is accepted by the House, should have that material placed in their hands, some short time before the Budget, and should deal with it on behalf of the House."

Now, I have to acknowledge with frankness that the Members of the Finance Committee were not supplied with those volumes even one minute before they were supplied to other Members of the House. I drew the attention of the Secretary to it several times, but no information was placed at our disposal and the members of the Finance Committee were treated just in the same way as the other Members of the House. Sir, I will give one more quotation from the speech of the Honourable Sir Malcolm Hailey:

"I should like it to be arranged that the Committee should, in the course of the year, deal with any schemes for fresh expenditure which are put forward by the Departments. I would limit this to the major schemes, schemes which will be sufficiently large to have any influence on the budget."

Now, I would draw attention to the fact that all questions like loans certainly affect the Budget. They are really very important issues, and the Finance Committee, as anticipated by the then Finance Member, the Honourable Sir Malcolm Hailey, was never taken into confidence throughout the last two years that I have been associated with this Committee. Therefore, I suggest that if the Finance Committee should really be of help to the Finance Member, to the Assembly and to the Government, then it should be taken into greater confidence in the manner anticipated by Sir Malcolm Hailey, and if the Finance Member were to place before it his financial schemes like the currency question, inflation, question of loans, taxation proposals and various other schemes of expenditure, then I am sure he would get very great assistance in the House, and his task here would be very much lightened. Instead of one man replying to the criticisms of all, the bombardment will be met by a number of Members who will come to the help of the Finance Member and defend him in his financial policy inside and outside the House. They will feel that they share the responsibility of the Finance Member. Sir, that this is not a matter on which we can pass a Resolution, because the whole thing depends entirely on the executive action of the Government. I would press that in the interest of the House and in the interest of the Government, the Finance Member should take the Finance Committee more into his confidence and to see that this Finance Committee functions in the manner anticipated by his predecessor the Honourable Sir Malcolm Hailey when he moved this motion on the 22nd February, 1921.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I wish to make one or two suggestions in connection with the motion before the House. The first thing is that the election of Members to the Standing Finance Committee should be confined to elected Members only, because the chances of the elected Members coming in again to the Legislative Assembly depend upon the work that they do in the Assembly, while the chances of nominated Members being re-nominated depend entirely upon the support that they give to the Government. Therefore, Sir, I suggest that the purpose for which these Committees are constituted will be better served by confining the election to elected Members of the House.

The other suggestion that I want to make is this . . . . .

The Honourable Sir George Rainy: I did not quite catch what the Honourable Member's suggestion was. Would he kindly repeat it?

Mr. K. P. Thampan: I suggest that the election of Members to the Standing Finance Committee should be confined to the elected Members of the Assembly only, and nominated Members should not be allowed to stand or vote for election to the Standing Finance Committee.

The other suggestion that I have to make is that a statement of the number of the days of sitting of the Finance Committee and the attendance of each Member at the meetings of the Committee should be published in the last Report. That will enable the other Honourable Members of this House to know how many meetings were held and how many meetings each Member of the Committee attended and help them to decide what to do when the Members offer themselves for re-election.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, some of the points that my Honourable friend, Dr. Ziauddin Ahmad, has raised used to agitate me when I was a Member of the Standing Finance Committee four or five years ago. At that time the then Finance Member Sir Basil Blackett used to express sympathy with me, but he pointed out the difficulty existing in the procedure and practice here; and that in the House of Commons they have got an Estimates Committee which goes through all the estimates that are placed before the House of Commons. The practice in this country is this, that when Government want sanction for a particular sum of money they come before the Standing Finance Committee. In those days when the Standing Finance Committee was first formed, the Government never showed the whole picture of their expenditure. At first they used to come for a grant, say, of Rs. 1,000. In the next year they used to say, "Last year the Standing Finance Committee committed itself to this new item of expenditure, and we want to spend a lakh of rupees on this item next year". I understand the difficulties that exist as to whether the Government should consult the Standing Finance Committee regarding taxation; I am unable to express an opinion on that point at present. But what I understood my Honourable friend Dr. Ziauddin Ahmad to suggest is that there should be a consultative committee which the Finance Member should consult about their taxation proposals.

Whether we cannot have an Estimates Committee—as is the practice in England, and as I understood from Sir Basil Blackett, that Estimates Committee sits for days and days continuously—whether that practice could be introduced in India is for the Government to consider, but we on this side of the House would welcome the establishment of such a Committee, though I cannot at present express any opinion as to whether the Standing Finance Committee itself should be the Estimates Committee.

Mr. Arthur Moore (Bengal: European): I think that possibly Dr. Ziauddin Ahmad might have unintentionally misled some Members of the House, who are not members of the Standing Finance Committee, into thinking that there has been some departure from the usual practice, but my recollection is that the procedure of this year has been exactly the same as in other years, that is to say, the printed volume containing the Demands for Grants is certainly first seen by us at the same moment as by other Members when it is distributed immediately at the conclusion of the Finance Member's Budget speech. But, although that is so, that does not alter the fact that the Standing Finance Committee has been reviewing the Demands for Grants ever since the month of January, and doing much detailed work.

Dr. Ziauddin Ahmad: On a point of personal explanation. I drew attention to the quotation from Sir Malcolm Hailey's speech, in which it was said that all the volumes dealing with the Budget would be actually supplied to the members of the Standing Finance Committee some time ahead.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): We are obliged to Dr. Ziauddin Ahmad for bringing this matter up for discussion. The Standing Finance Committee is not a statutory committee; it is a creation of the Assembly itself unlike the Public Accounts Committee. As regards the Public Accounts Committee, we get a chance to criticise its work and its Report, but as regards the Standing Finance Committee there is very little such chance. I think that Dr. Ziauddin Ahmad is not contending that there is any change in the procedure this year, but what he is urging is that the Standing Finance Committee should really function as envisaged in the Resolution on the subject and the speech of Sir Malcolm Hailey. As a matter of fact, as the practice exists to-day, some demand from a particular department is placed before the Standing Finance Committee. A gentleman from the department comes and says, "We want this and it is essential that a fresh grant should be made for certain posts or for certain expenditure". The members of the Committee do not see the whole picture, and they are not in a position to pass any proper judgment, but they are forced to give their sanction to every such proposal because the whole programme is not before them. What I say is, either make the Committee one from which the Finance Member may have his advice for the whole Budget, and which will scrutinise the Demands for Grants, or do not make a farce of it by having a committee where, as my Honourable friend Mr. Thampan said, more than half of the members are official or nominated members. My Honourable friend Mr. Thampan did not want to exclude the nominated non-officials; what he wanted was that the Committee should be elected by the elected and nominated non-official Members of this House. So, I submit that the Government should consider whether they want to make this Committee efficient and workable, and not a mere farce to say ditto to every proposal that may emanate from any department of the Government.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): There are one or two observations that I should like to make in connection with the discussion on this subject. I had been a member of the Standing Finance Committee in days past, but seeing the limitations upon its object and its scope. I discreetly withdrew from taking part in its labours, with the result that I have not offered myself for re-election for several years past. The thing that struck me when I sat for some years in succession in the Standing Finance Committee was that while the departments came with extremely plausible cases for increase of expenditure, we had not the slightest notion as to whether that desirable expenditure would come out of the general revenues of the Government of India, or whether it would entail fresh taxation. That was a question which always passed in my mind, and I said to the then Finance Member, "These proposals that are piled before us seem to be very attractive, but they lose all charm for me if I find that I shall have to place an additional burden of taxation upon this country if these measures are accepted by the Standing Finance Committee". And with the imprimatur of the

[Sir Hari Singh Gour.]

Standing Finance Committee they come before the House and the Finance Member naturally says, these measures have been considered by the Standing Finance Committee, and the House then goes into a state of somnolence because their accredited representatives in the Standing Finance Committee, who are presumably experts in matters financial, have already given thought and consideration to the decision of the question which they are called upon to ratify. That, I submit, is the first defect in the procedure which the Standing Finance Committee adopts, and which I think requires an early rectification.

There is another question of equal import. My Honourable friend Mr. Thampan has done a great public service in drawing your attention to the fact that this Committee, if it is to function at all, must be a committee of the elected representatives of the people, because, after all, the Government are sufficiently represented by the Finance Member and by the departments that come with the files concerned to lay their case before the popular Committee. My Honourable friend Mr. Mitra has no objection, as a matter of temporary expediency I presume, to admit into this conclave Honourable Members who are nominated non-officials, but they must be nominated and not elected to that Committee. That is only a peace offer, but beyond that, if the Committee is to function at all, I do not see why the officials should take part all along the line from the bottom rung of the ladder right up to the top. Visualise the position of a financial measure. You have, first of all, the Finance Member who decides the question with his official advisers, it may be with or without the concurrence of some section of the Executive Council. Then, the question comes up before the Standing Finance Committee. There you have the Standing Finance Committee diluted by a body of well disciplined and extremely subservient supporters of the Government, who vote with the Finance Member as they vote in the open House, because they feel that it is their duty to do so.

Mr. Arthur Moore: The Finance Member is the only member of the Government on the Committee.

Dr. Ziauddin Ahmad: I am talking of the official Members and nominated Members elected to the Standing Finance Committee. (*An Honourable Member*: "They are always present.") The non-official Members may be present or absent, but I am told that the officials are ever vigilant and are always present, and never forget to record their vote.

Mr. Arthur Moore: On a point of explanation. May I say that the Finance Member is the only member of the Government on the Committee.

Sir Hari Singh Gour: I cannot help my friend if my friend will not understand what I am saying. I cannot supply to my Honourable friend the modicum of intelligence which is required to understand my point. (*An Honourable Member*: "He is the editor of a newspaper.") Not much intelligence is required to edit that paper. Then I pass on to the third stage of the case. Assuming for the sake of argument that the measure has now passed the gamut of the Finance Committee, then it comes to the open House. Here we have these ornaments of the official

Benches ranging from the front to the very back, always full, always anxiously waiting not for the debate or the consideration of the subject on its merits and demerits, but seeing as to which is the lobby which they must be driven to. This is the third stage. Then assume for the sake of argument that with all these drawbacks in playing with the Government which plays with loaded dice, we carry the measure in the open House. Then you have the certification, you have the veto, you have the recommendation and you have above all the overruling authority of the powers in this country and abroad.

Now, I wish to ask Honourable Members in this House, while we on this side of the House are anxious to co-operate with the Government, can the Government regard this procedure as satisfactory and conducive to the disposal of business in accordance with the spirit and tenor of the Government of India Act?

I did not wish to make a speech on this occasion, but I have a vivid recollection of the first Assembly in which I took part not only in acceding to the Resolution of the Honourable the Finance Member, but also offered our co-operation by compelling the then Home Member to constitute an advisory committee attached to the Home Department. The then Home Member said, "How can we possibly take you into our confidence?" and we said, "We are here to co-operate with you, to learn the arcana of administration of which you are past master. Take us as your humble acolytes and apprentices, even into your ante-room and give us, at any rate, the elementary lessons in the administration of the Home Department". But the Government were obdurate; but the Opposition was equally insistent, the result being that the Resolution was carried over the heads of the Government, and then the Government reluctantly called upon the House to elect a committee attached to the Home Department. Sir, that Committee had an inglorious beginning, and a much more inglorious end. It was never called into being at all. The Committee was formed but there was never a meeting of that Committee ever since its formation. Such are the ways of the mighty. When they want co-operation from us, they say, "We will have your co-operation, but it must be upon our terms, but if you do not wish to give us your co-operation, then we will call you non-co-operators, objectors, and a very large number of other bad words" which I find only Sir Lancelot Graham can coin to place in his Ordinances. That is the position, but I feel that the time has now come for the Government to review and revise their opinions. We are on the threshold, let us assume, of a new constitution. If you have not been able to follow the spirit of the existing constitution which is soon to die, you cannot be expected to follow even the letter of the new constitution which might be brought into existence. When the small decennial constitution was placed on the Statute-book, I hoped that it would be supplemented by liberalising conventions, that it would be worked in a generous spirit, that the Members of the Government would co-operate with the Opposition and diminish the distance that divides the two-halves of the House. I ask the two distinguished ornaments of the Executive Council who have seen five years of this constitution whether they can say that they have done anything to bridge the gulf in any way between the two-halves of this Legislative Assembly, and if they have, to what extent they have been successful. I wish, Sir, to speak with all humility, but with the experience gathered in this House ever since its commencement, I feel that if the spirit of the temporary constitution had been

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Standing Finance Committee they come before the House and the Finance Member naturally says, these measures have been considered by the Standing Finance Committee, and the House then goes into a state of somnolence because their accredited representatives in the Standing Finance Committee, who are presumably experts in matters financial, have already given thought and consideration to the decision of the question which they are called upon to ratify. That, I submit, is the first defect in the procedure which the Standing Finance Committee adopts, and which I think requires an early rectification.

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[Sir Hari Singh Gour.]

worked in that generous spirit in which the framers of the Parliamentary Act intended it should be worked, the questions, which the Government of India have to face to-day, would not have been so formidable as those with which they find themselves confronted to-day.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Sir, I have been a member of the Standing Finance Committee for the last eight or nine years. Probably I am the oldest Member who has sat continuously on the Standing Finance Committee since 1924 and I should like to speak to the House on the actual procedure which is followed. The Standing Finance Committee consists of 14 members, and the Chairman, who is the Finance Member, is nominated by the Governor General. I have never known a time when the S. F. C. contained any official except the Chairman. Besides him, there is the Financial Secretary, who puts up the papers and gives us whatever information is required. He does not participate in the proceedings, nor has he any vote. Then there is the Secretary of the S. F. C., who takes down the notes of the proceedings, and supplies whatever information is required by the members. He also has no vote. The papers are supplied beforehand; and in the meeting, representatives of various departments concerned appear as witnesses in turn; and the members of the Committee examine them on whatever points they like and then they pass the proposals or reject them, or postpone them for further consideration. I am prepared to admit that sometimes the picture of a particular proposal which is placed before the Committee is not a complete picture, and there I join with my Honourable friend, Mr. S. C. Mitra, when he said that the procedure can very well be improved upon. I shall give you an example. The question of the forest resources of the Andamans for timber production had been the subject of very great consideration by the Standing Finance Committee from time to time. Bits of such proposals come from different departments. The question is, what are the actual financial commitments involved by those proposals, whether they are going to be a paying proposition, and so on and so forth. As presented, we do not sometimes have a complete picture about a particular proposal which involves the House in a certain degree of financial commitment.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): May I ask my Honourable friend whether any information that was asked for has been denied to the Standing Finance Committee on any occasion?

Mr. Gaya Prasad Singh: I did not say so. Sir, as I was saying, the picture presented sometimes has necessarily to be one-sided. I shall give another example; for instance, a particular bridge in the N.-W. F. Province has been washed out or a road has to be widened, and it is represented by the Department concerned that it is an urgent piece of work, and that the expenditure is such as the Finance Committee should agree to. Now on a perusal of the papers submitted, the Members of the Finance Committee have no other alternative but to accept the proposal. There are no other materials before them to lead them to come to any other decision, generally speaking. But I believe this is the case more or less with other committees as well. Under the present circumstances, I do not know what other course would be open to the Committee to adopt. It is quite open to this House to lay down the procedure and to

improve the method. I gratefully acknowledge that the present Finance Minister has really been trying to improve the method of working of the Standing Finance Committee (Cheers); but the procedure that has been laid down has got to be followed; and if this House or the Government could evolve a better method, nobody would be better pleased than myself. I recognize the limitations under which the members of the Standing Finance Committee have been working, but it is inherent in the constitution. It is open to this House to make specific suggestions which might be incorporated in a separate Resolution; or any other suitable method might be devised to make the Standing Finance Committee a more effective and live body than it is at present.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, I have never been a member of the Standing Finance Committee and I have only been a member of this House for three years and therefore perhaps it may be audacious on my part to say even a few words, but I would like to point out that Mr. Hailey (now Sir Malcolm Hailey), when he first introduced the motion to appoint a committee, stated as follows:

> "I would like it to be arranged that the Committee should in the course of the year deal with any schemes for fresh expenditure which are put forward by the Departments. I would limit this to major schemes, schemes which will be sufficiently large to have an influence on the Budget."

The idea was that the Finance Committee should examine schemes before they were placed before this Honourable House. Now my Honourable friend, Sir Hari Singh Gour, has explained that he was not able to judge the merits of the scheme because he was not in a position to realize whether it meant extra taxation or not; now that is a point that has often occurred, but the answer is a very simple one; it is that the opinion of the Finance Committee on a specific scheme is not the final word, nor are members of the Finance Committee committed to supporting that scheme under any circumstances whatsoever when the scheme is placed before the House. They get the opportunity to look at the whole picture when it is placed before the House and if then they come to the conclusion that the scheme, although good on its merits, entails such extra amount of taxation that it becomes premature and ought to be postponed, then they have every right to vote against it and say that "This scheme should be delayed; it is premature; we have not got the money; we cannot afford it"; that is the answer. In other words, the answer, again, is that the whole picture should be before the House at the time when it is presented to it. Any member of the Finance Committee, because he agrees to the scheme, does not commit himself to voting in this House for that scheme when it is presented. Circumstances may have changed; he sees the whole picture; and he says, "I am not in favour of the scheme now; it is a good scheme but it is unsuitable for the times". Sir, that is the position of non-official Members on the Standing Finance Committee. Now, it appears to me that on the whole this House is in a stronger position than the Finance Committee of the provinces. From what I have heard and read, there is only one nominated Member on the Finance Committee, and naturally that man is the Finance Member, who becomes the Chairman; the rest are elected by the House, which includes Government Members, and naturally, Government Members have to vote for their own choice; they have their own ticket, and through the force of the vote and the ticket, they bring on to the Finance Committee certain Members whom they are sure of in regard to their support. That is only natural.

[Sir Cowasji Jehangir.]

The answer is, "exclude them from voting", in which case, Mr. President, if you exclude them from voting, you will get a Finance Committee consisting purely of elected Members and the only representative of Government then as far as voting is concerned would be the one nominated Member, the Finance Member. Whether, under the present constitution, that would be advisable is a question which I am not prepared to answer immediately; but it might be that every scheme good, bad and indifferent, might be rejected and then there might be difficulty, unnecessary difficulty, in getting it through this House because it was unnecessarily rejected by the Finance Committee. You have to look at it from that point of view, from the point of view of the constitution as it stands to-day, not from the point of view of the constitution as it will be tomorrow. When the new constitution comes in later on, the Government of the day, I imagine, will insist on having a certain number of their supporters on the Finance Committee; that is what the Government are doing today. They happen to be autocrats under the greatest autocrat, but that does not preclude them from demanding that they should have a certain amount of support on the Finance Committee and they do it by direct vote in this House under the constitution. But the real point is, "Is all available information given to the Finance Committee or not?" If it can be shown that there is a lack of co-operation, this side of the House may have some grounds for complaint, but not a single Member has stated that. As to my Honourable friend the Leader of the Nationalist Party, he led us into very high politics, and I respectfully urge that this is not the occasion on which to address the Honourable House on that. We have all got our views as to how the constitution has been worked, or how it ought to have been worked. Sir, is there any constitution in the world on which there is no difference of opinion as to how it should be worked or what it should have been? That is another matter. If you are satisfied that the Finance Committee under the extraordinary circumstances under which it works is working as satisfactorily as it can under the present constitution, there is nothing further to be said about it.

Mr. N. M. Joshi (Nominated Non-Official): Sir, my knowledge of the working of the Standing Finance Committee has become somewhat rusty. I shall therefore content myself by offering a few remarks only on the constitutional aspect of appointing a Finance Committee for the kind of work which this Committee has been doing. I have not been a member of the Standing Finance Committee for some years now, but I know the circumstances under which the first Standing Finance Committee was appointed. One feature of those circumstances was that we had a Government in our country in this Legislature which had not the majority in the House. The Government had all the powers of an Executive Government, but it did not possess a majority, and they were asked to follow the advice of the majority, although ultimately the Government had the power to supersede the opinion of the majority. There was another circumstance, Mr. President, under which the Standing Finance Committee was appointed at that time, and that circumstance was that Government, which did not possess a majority in the House, was faced with great financial difficulties. There were huge deficits in the Budget; Government had to secure the approval of the House for their taxation proposals as well as for their proposals for incurring additional expenditure. It is on account of these two circumstances, namely, that the Government did not have the majority in the House and the Government were faced with abnormal

difficulties to meet their expenses that the Standing Finance Committee was brought into existence. Sir Malcolm Hailey, who was the Finance Member at that time, was a shrewd man. He wanted to get his financial proposals approved by the House, although he had not the majority in the House. He therefore thought that the best way of doing this was to get a Standing Finance Committee of the House appointed. And he did appoint a Standing Finance Committee, with the result that his path in this House became smoother. I feel, Mr. President, that this is the history of the Standing Finance Committee. What I feel on this occasion is this that today we are on the eve of a new constitution, and we should therefore consider what constitutional procedure we should have for our future constitution. If we are envisaging the establishment of a responsible government in the centre, we should consider whether it is not right to leave all the financial proposals in the hands of the Government which will be backed by a majority in the House. I personally think that my own inclination today is that the right procedure is that we should throw all the responsibility of framing financial proposals on the Government which will be based upon the majority in the House, and the function of the Opposition should be to criticise those proposals after those proposals are before the House. In my judgment there is a great weakening of the power of the criticism of the Opposition if the Opposition shares the responsibility of the majority in criticising those proposals before those proposals are actually framed and placed before the House. I do not suggest that there are no constitutions in the world where a system of appointing committees, even for the work of the Executive Government, is not adopted, but what the Members should consider is whether the system of working the Government, which is based upon the majority being responsible for their proposals and leaving the Opposition to criticise the proposals of the majority, is a right one, or whether even the Opposition should share the work of framing those proposals and have its powers of criticism weakened, which is a matter which should be seriously considered. I therefore feel that this House should take an early opportunity of considering the whole constitutional aspect of this question, and not insist that only for a year or even for six months the Committee will be constituted in a particular way. More good will be done to this country and for the finances of this country if we consider the whole question whether the responsibility of framing financial proposals should belong to the Government, backed by the majority, or whether the Opposition should also share in framing these proposals.

Mr. C. C. Biswas: Sir, I do not think we should be justified in being drawn into the alluring fields of controversy which have been opened up by the Leader of the Nationalist Party. This is a matter which is very comprehensive and is much too important to be disposed of as a side issue on a motion of this kind. What we are concerned with at the present moment is, as I conceive it after listening to the speeches which have been made, whether or not the Standing Finance Committee has functioned in the way it was designed to function. My Honourable friend Mr. Gaya Prasad Singh has said that he has been there for eight or nine years. I do not think, however, that the House will remember a single occasion when any complaints were made by him on the floor of this House that the work which was being done there was not being done satisfactorily. The question is raised today by somebody else, and up rises my Honourable friend to join his voice to his! That shows that

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): Though I have not had the benefit of listening to the debate from the beginning, yet as I happen to be one of the oldest members of the Standing Finance Committee—myself and my Honourable friend Mr. Gaya Prasad Singh are the oldest members there—I feel that I should say something about the working of that Committee. That Committee consists of Members who are all elected by this House, except the Honourable the Finance Member who is nominated by the Governor General. It is perfectly correct to say that there are one or two members who are nominated Members of this Assembly but they too are elected to that Committee by the vote of this House. Consequently, so far as the constitution of that Committee goes, I do not think there is anything which is unsatisfactory to which objection can be taken. As for the working of the Committee, I must say that the Chairman, the Honourable Sir George Schuster, has shown every consideration to the views and wishes of the Members. I have had occasion to notice that when we, some of us on this side of the House, who are members of that Committee, opposed a proposal though the Honourable the Finance Member, as Chairman of that Committee, could carry the motion against our opposition by a majority of votes, yet when he found that four or five of us were against the proposal, he held back his hand and he would not carry the proposal against our wishes. He would postpone the thing and bring it for further consideration and give us further information necessary for the purpose so that there might be unanimity. The way in which the Chairman of that Committee has worked in that Committee is in every way such as would be approved of anywhere and for which we are really thankful to him. The working of that Committee leaves nothing to be desired. As a member of that Committee I must give expression to my opinion in the House while it is discussing the matter and I may say that there is no just cause to complain of anything as regards the working of that Committee.

The Honourable Sir George Rainy: Sir, when my Honourable colleague, the Finance Member, asked me to deputize for him as regards this motion, I do not suppose he had any idea that it would be discussed on the floor of this House for about an hour, and certainly when I light-heartedly agreed to take his place, it never entered my head that a brisk debate with a large number of most interesting speeches would fall to me to answer. However, it will not be necessary for me, I think, to say very much, and if my Honourable colleague, the Finance Member, had been present I doubt, whether without time for consideration, he would have been able to express an opinion offhand upon every one of the suggestions which have been made. I will certainly call his attention to what has been said to-day, and as all Honourable Members know, my Honourable colleague is always ready to consider suggestions. But, there are one or two aspects of the case to which perhaps I might draw attention. In the first place, as to the functions properly falling to the Standing Finance Committee: my Honourable friend, Dr. Ziauddin Ahmad, who spoke first, particularly directed attention to that aspect of the case. Now, that is a matter which does require a good deal of consideration from the point of view of what are the functions which properly fall to the executive as such and what are those that properly fall to the Legislature as such. When my Honourable friend Sir Hari Singh Gour said that certain changes were desirable in view of the imminence of the new constitution, it seemed to me that possibly he has not fully appreciated the bearing which the new

constitution is likely to have on such a question as the proper functions of the Standing Finance Committee. I think there was a good deal of force in what my Honourable friend Mr. Joshi said, namely, that after full responsible Government has been set up, the responsibility for placing financial measures before the Legislature should rest solely on the shoulders of the Government.

I am not expressing an opinion of my own but it is a view for which a good deal can be said; and I believe that the procedure which has been adopted as regards the Standing Finance Committee of this House is determined to a large extent by the fact that ours is a half and half constitution and not a fully responsible constitution. Certain arrangements are necessary in a case of that kind by which, as far as may be, the Government which is not responsible to the House and the House generally may be brought into agreement. From what has fallen from the lips of quite a number of Honourable Members today, I think we can fairly claim that the Standing Finance Committee, as at present constituted and as it at present works, has done a great deal in that direction, and that by its existence a great deal of unnecessary friction has been avoided. But it is always a fair question to consider at any particular moment whether the functions of the Committee can be changed, and I am quite sure that my Honourable colleague the Finance Member will read everything that has been said and will consider it.

12 NOON.

The only other matter on which I wish to say something is the suggestion that the nominated official Members of this House ought not to take part in the election of the Standing Finance Committee. I can quite understand the feeling that the House would like to have as far as possible elected Members and no nominated officials. But as long as the constitution requires that officials should be Members of the House, it seems to me that it falls to them to discharge any of the functions naturally falling to the Members of this House; and I cannot agree with my Honourable friend Sir Hari Singh Gour that it was part of the intention of the framers of the existing Government of India Act that the nominated official Members should gradually abnegate their functions and pretend they were not there. It might be a pleasant prospect to my Honourable friend if we could do that, but I am afraid I cannot hold out any hope that in this matter we should find it possible to agree with him. I would remind the House of what I have already said on this point that, when it is a case of trying to bring as far as possible a non-responsible Government into accord with a House which is mainly elected, the device of the nominated official Member is one which may have to be adopted; and in the constitution of a Standing Finance Committee which exists very largely for the purpose of bringing Government and the House into agreement, I think it is reasonable and right that the nominated official Members should be entitled to vote at the election in exactly the same way as other Members.

Mr. President: The question is:

"That this Assembly do proceed to the election for the financial year 1932-33, in such method as may be approved by the Honourable the President, of a Standing Finance Committee of the Assembly not exceeding fourteen in number, to which shall be added a member of the Assembly to be nominated by the Governor General. The member so nominated shall be the Chairman of the Committee."

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, eight non-official members to sit on the Standing Committee on Emigration."

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I beg to move:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, eleven members from the Assembly who shall be required to serve on the Standing Finance Committee for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on the 20th September, 1924, on the subject of the separation of Railway Finance."

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I do not like to initiate another debate on this question (Laughter) but I should like only to draw attention to one point. I should like the Honourable Member in charge of railways to consider whether it is not possible, in view of the fact that the railways are commercial concerns, to lay a balance-sheet of individual lines and to lay a balance-sheet of the railways as a whole before the Finance Committee and ultimately before the Assembly.

Sir Alan Parsons (Financial Commissioner, Railways): Sir, I will consider that question. The position is that we have not had regular balance-sheets for individual railways in the past. We are attempting at the request of the Public Accounts Committee to work out such balance-sheets and I will certainly consider whether, if we succeed in doing so, we should not place papers of that kind before the Standing Finance Committee and incorporate them among our Budget papers.

Mr. President: The question is:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, eleven members from the Assembly who shall be required to serve on the Standing Finance Committee for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on the 20th September, 1924, on the subject of the separation of Railway Finance."

The motion was adopted.

ELECTION OF MEMBERS TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I beg to move that this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, six non-official Members from the Assembly who shall be required to serve on the Central Advisory Council for Railways.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I will ask one question. If the principle propounded by the Honourable the Leader of the House was correct, why should a special distinction be made here between non-officials and officials in this motion? In this motion as well as in the motion of Sir Frank Noyce for election to the Standing Committee on Emigration it is specifically stated that only non-official Members are competent to be elected. In the matter of the Public Accounts Committee, which is a statutory body, the official members of the Government are not allowed to stand nor are they permitted to exercise their right of election. But it is specifically stated in the Rules that the Government are at liberty to nominate three members from among the officials. That is a more straightforward and honest way of doing the things. Why should not the same system be adopted in these Committees as well?

Sir Alan Parsons (Financial Commissioner, Railways): Sir, I should explain that the actual form of the Railway Member's motion is due to the repetition of the words in the Convention which established the separation of Railway from General Finance. In actual practice the eleven Members who serve on that Committee are always non-officials.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I wanted to point out at this time one particular point which has been the subject of representation for a long time by this Central Advisory Council for Railways, and it is this that in the Local Advisory Committees the people who are appointed come from the provinces, and this Central Advisory Council has got no direct connection with the Local Advisory Committees, and the suggestion has often been made that the members of the Central Council should *ipso facto* be members of the Local Advisory Committees in their own provinces. I do not know how far this suggestion has been put by the railway authorities to the different railway Agents, and whether it has been accepted or not. Matters usually come up before the Central Council only once a year, whereas most of the points are dealt with by the Local Advisory Committees; and I think it is right and proper that, when the Railway Budget is being passed by this House, the Members of this House should have a voice in the local arrangements. The Local Advisory Committees are meant for the purpose of advising the Agents of different lines; but whenever the different lines come here with their Budgets, we cannot have any voice in making any suggestions to them. I would like to know if any such recommendation has been made or whether a point of this nature is acceptable to the railway authorities and to the Agents or not.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Sir, I am not making a speech, but I should like to get information on one or two points for the enlightenment of the House. I should like to know in the last year how many times this Central Advisory Council for Railways has met and what is the amount of work put in by them, and whether the members have a right to offer any suggestions or call for certain papers which may be valuable to them for their information or guidance.

The Honourable Sir George Rainy: Sir, with reference to what fell from my Honourable friend, Mr. Muhammad Yamin Khan, I should like

Dr. Ziauddin Ahmad: May I understand if this money is to be drawn to meet interest charges?

Mr. President: Order, order. The question which I have to put is:

"That a supplementary sum not exceeding Rs. 4,52,02,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending 31st March, 1932, in respect of 'Appropriation from Depreciation Fund'."

The motion was adopted.

MISCELLANEOUS EXPENDITURE.

Sir Alan Parsons: Sir, I beg to move:

"That a sum not exceeding Rs. 25,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending 31st March, 1932, in respect of 'Miscellaneous expenditure'."

I should like to explain here that we do not expect our expenditure under this head to be, as a whole, in excess of our original Budget. We are asking for this extra sum under voted expenditure, but the non-voted expenditure will be reduced by the same amount. The money is solely required to pay additional subsidies to certain branch lines with whom we are under contract, due to the fact that their earnings were not as large as we expected them to be...

Dr. Ziauddin Ahmad: I do not like to interrupt on this supplementary grant, but the information that has been supplied to us either in this little pamphlet that has been circulated or the speech that has been delivered by my Honourable friend is so meagre that we really cannot form any opinion, and it would be better if some more detailed information could be given to us, at least on some of these branch lines.

Sir Alan Parsons: I will certainly give more details if the Honourable Member wishes it. The two principal branch lines for which additional subsidies are needed are the Guzerat Railways and the Bankura Damodar River Railway. Their receipts were not as large as we anticipated at the time the Budget was framed. Therefore, under the terms under which we guarantee a certain return to those companies or give a rebate to them, we have to pay a larger sum by way of subsidy to them or give them a larger rebate. That is the sole reason why we are expecting an excess under this Demand and asking for an additional grant of Rs. 25,000.

Mr. President: The question is:

"That a sum not exceeding Rs. 25,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending 31st March, 1932, in respect of 'Miscellaneous expenditure'."

The motion was adopted.

APPROPRIATION FROM THE RESERVE FUND.

Sir Alan Parsons: I beg to move:

"That a supplementary sum not exceeding Rs. 80,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending 31st March, 1932, in respect of 'Appropriation from the Reserve Fund'."

Sir, this is a sum required to meet the railway deficit.

Dr. Ziauddin Ahmad: I beg to oppose this motion, and the reason why I do so is this. I have pointed out on the floor of this House and I have never got a reply either from the Finance Member or from the Railway Member—I pointed out on the floor of this House yesterday that the Finance Member has lent Rs. 160 crores during the last six years to the railways, out of which Rs. 46 crores were spent on undertakings yielding an income of one per cent. and the remaining 114 crores were spent on certain items yielding no income whatsoever. I pointed out that it is not reasonable to lend money to the railways at a mean rate of 5·7 per cent. while the railways themselves are yielding an income of 3·4 per cent. What is the result? The result has been that the Financial Commissioner came forward before us and said that he wanted to take four crores from the Depreciation Fund in order to pay the interest charges. Was the payment of interest a legitimate charge on the Depreciation Fund? He again came forward before us and said that he wanted to take the entire amount from the Reserve Fund in order to pay the interest charges. He then came forward and asked to be excused from the payment of the seven crores to the general revenues which he had to pay according to the convention of 1924, because owing to the high interest charges, the railways could not pay. I repeatedly asked for a reply why Rs. 160 crores were uselessly spent, why the Finance Member and the Financial Commissioner, who are the custodians of the country's finances, did not put their foot down on this expenditure, and why this lavish expenditure has been allowed to go on. The Financial Commissioner knows very well that there are many items in the Budget where the actual expenditure exceeded the estimate by 200 and 300 per cent., and no reason has been given for the same on the floor of this House. On these grounds I oppose the grant.

Sir Alan Parsons: If I understand the reason why my Honourable friend opposes this grant, it is, that he objects to the whole programme of capital expenditure which has been incurred on railways during the last six or seven years. That is rather a large subject for me to deal with, without notice, on a debate on a supplementary grant. But I should like to say this. Admittedly, on certain schemes, some of which have been mentioned in this House, the financial results expected have not so far been obtained. But I may claim that as regards the capital expenditure on the railways as a whole, the financial results expected from those schemes are likely to be derived in due course when they have had time to come to full fruition and when normal conditions return again. I will take as an instance a great many of the new lines which we have started. When we prepared the estimates of those branch lines, we carefully worked out what their prospects were likely to be—not their prospects on the date the lines were opened, but after 5 or 7 years, because it is our experience that it takes 5 or 7 years ordinarily for the traffic of a new branch line to develop fully. So far, I think we have had no lines opened for 5 years, and therefore, we cannot say yet whether our estimates were correct or not. In addition the entirely abnormal conditions of the current year are such that we cannot expect to get the traffic on those branch lines which in ordinary conditions we should get. We cannot therefore judge whether our policy of new construction has been successful or not, and in my opinion, for another three years or more it may not be possible to form any certain opinion whether that policy of new construction, to which my Honourable friend was referring, has been justified or not.

[Sir George Rainy.]

to say this; that the matter is one which has been put before me on a number of occasions by individual Members of the Central Advisory Council; but I have always found a good deal of difficulty in seeing how exactly effect could be given to it, remembering this, that the object of the Local Advisory Committees is to bring local pressure to bear upon the Railway Administrations, and the mere fact that certain people are members of a Central Council, is not necessarily a justification for putting them on the local committees. But since the Council which has now to be elected will have to advise—not me but my successor,—on the whole I think the best advice I can give my Honourable friend is to try his luck with the next member.

Then, as regards my Honourable friend, Mr. Gaya Prasad Singh, the Council, if I remember rightly, met once immediately after its election last March—I think I am right on that point—and since then we have not called a meeting. The reason why we have not done so, is that the whole of our attention has been concentrated on retrenchment. We naturally consult the Council when we want to do something, and in these days of retrenchment we are not allowed to want to do anything. We have to curtail our activities, not to enlarge them. I thought at one time that it would be possible to call a meeting in November to consider certain questions connected with the formation of committees which would help us as regards the recruitment of minority communities, but on the whole I thought it would be better to postpone that until we had Mr. Hassan's Report. I am anxious to have a meeting of the Council about that subject at as early a date as possible; and if financial circumstances would only begin to show some signs of improvement, I have no doubt we should have plenty of subjects to put before the Central Advisory Council.

Mr. President: The question is:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, six non-official members from the Assembly who shall be required to serve on the Central Advisory Council for Railways."

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE, THE STANDING EMIGRATION COMMITTEE, THE STANDING FINANCE COMMITTEE FOR RAILWAYS AND THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

Mr. President: I may inform Honourable Members that nominations for the purpose of election of members to the Standing Finance Committee and the Standing Committee on Emigration will be received in the Assembly Office up to 12 noon on Tuesday, the 15th March, while the nomination for the Standing Finance Committee for Railways and the Central Advisory Council for Railways will be received up to 12 noon on Thursday, the 17th March, 1932. The elections, if necessary, for the Standing Finance Committee and the Standing Committee on Emigration will take place in this Chamber on Wednesday, the 23rd March, while the election for the Standing Finance Committee for Railways will be held on Thursday, the 24th March, 1932. The date on which the election for the Central Advisory Council for Railways will take place will be announced later on. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

DEMANDS FOR SUPPLEMENTARY GRANTS IN RESPECT OF RAILWAYS.

COMPANIES' AND INDIAN STATES' SHARE OF SURPLUS PROFITS AND EARNINGS.

Sir Alan Parsons (Financial Commissioner, Railways): Sir, I move:

"That a supplementary sum not exceeding Rs. 7,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending 31st March, 1932, in respect of 'Companies' and Indian States' share of surplus profits and earnings'."

Accidents on Companies' and Indian States' Railways.

Mr. Nabakumar Sing Dudhoria (Calcutta Suburbs: Non-Muhammadan): Sir, I beg to move:

"That the Demand for a supplementary grant of a sum not exceeding Rs. 7,75,000 in respect of Companies' and Indian States' share of surplus profits and net earnings be reduced by Re. 1."

Sir Alan Parsons: Sir, I rise to a point of order. Under the Demand No. 6, dealing with Companies' and Indian States' share of surplus profits and earnings, there is no money at all which can in any way be connected with accidents either on Company-managed or on State-managed railways. This is purely a contractual payment made to Companies. I submit that a discussion with regard to accidents on railways could only be relevant either on the Railway Board's Demand itself or on Demand No. 5, where we provide compensation in the case of accidents.

Mr. President: Has the Honourable Member anything to urge in answer to the point of order?

Mr. Nabakumar Sing Dudhoria: Sir, I only want to bring to the notice of the Chair that in the last Simla session a similar cut motion was moved by myself on the supplementary Demand on the Miscellaneous head.

Mr. President: The Honourable Member does not seem to appreciate the point of order raised.

Mr. Nabakumar Sing Dudhoria: I have nothing to add.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair would like to point out to the Honourable Member that the point of order raised is not that the Honourable Member cannot move a cut motion in the manner he proposes to do, but that the subject matter which he wishes to ventilate does not arise under the provision which the railways want this Assembly to sanction by way of a supplementary grant. The point of order is that the Honourable Member could not raise this issue on this Demand, and if the Honourable Member has anything to say against that point of order the Chair will be glad to consider it.

Mr. Nabakumar Sing Dudhoria: I should like to withdraw it, Sir.

Mr. President: There is no question of withdrawing it.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): As the Honourable Member has nothing to urge against the point of order, the cut motion is ruled out of order.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 80,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during year ending 31st March, 1932, in respect of 'Appropriation from the Reserve Fund'."

The motion was adopted.

The Assembly then adjourned for Lunch till Ten Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Ten Minutes Past Two of the Clock, Mr. President in the Chair.

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move for leave to introduce a Bill to extend the operation of the Salt Additional Import Duty Act, 1931. I do not propose to offer any observations on the Bill at this stage. Honourable Members will find the position very fully explained in the Report of the Committee of this Assembly. Sir, I move.

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

THE INDIAN TARIFF (WIRELESS BROADCASTING) AMENDMENT BILL.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): Sir, I move for leave to introduce a Bill to provide funds to enable Government to continue wireless broadcasting in India, by increasing the import duties leviable on wireless reception apparatus.

Sir, I need do no more at this stage than say that our object in introducing this measure is to try and keep broadcasting alive. I shall, I hope, be able to give in more detail the reasons why we are proceeding on the lines upon which we are now doing when I make my next motion in connection with this Bill. Sir, I move.

The motion was adopted.

The Honourable Sir Joseph Bhore: Sir, I introduce the Bill.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): I would ask your permission, Sir, to defer moving my motion* until tomorrow.

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*For leave to introduce a Bill further to amend the Indian Merchant Shipping Act, 1923, for certain purposes."

THE TEA DISTRICTS EMIGRANT LABOUR BILL.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): I move for leave to introduce a Bill to amend the law relating to emigrant labourers in the tea districts of Assam.

In view, Sir, of the somewhat detailed Statement of Objects and Reasons, I need do no more at this stage than explain that this piece of legislation seeks to give effect to a recommendation which was unanimously made by the Labour Commission. Sir, I move.

The motion was adopted

The Honourable Sir Joseph Bhore: Sir, I introduce the Bill.

THE BENGAL CRIMINAL LAW AMENDMENT (SUPPLEMENTARY) BILL.

The Honourable Sir James Crerar (Home Member): Sir, I move that the Bill to supplement the Bengal Criminal Law Amendment Act, 1930, as reported by the Select Committee, be taken into consideration.

I am sure, Sir, that the House will not expect from me at this stage any long discourse and will readily excuse both me and itself from such a superfluous task. The Bill has already been considered at some length for several days. It is a very short Bill and a very simple Bill, the principles of which can hardly be distinguished from its detailed provisions. The House referred the Bill to a Select Committee and thereby approved of its principles by a unanimous vote and it is therefore unnecessary for me to say anything further at this stage. In so far as matters subsidiary or relative to the Bill arise, I shall deal with them in due course when the detailed consideration of the Bill is taken up. In the meantime I merely ask the House, since I am in the happy position of being able to present the House once more with a Bill precisely in the form in which it was introduced, to join with me in giving effect to the recommendation of the Select Committee that it should be passed as introduced.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I rise to oppose the consideration of this Bill. I made it clear from the very beginning that I was opposed to the principle of this Bill. When this Bill was referred to the Select Committee, I knew some Members, particularly I remember my leader Sir Abdur Rahim, made it clear that they were sending it to the Select Committee on the clear understanding that they would be free to oppose it if it was not sufficiently improved in the Select Committee. I find that the Bill has not been changed in the least, so I think I shall have their support in opposing this Bill altogether. In moving his motion for referring the Bill to Select Committee, Sir James Crerar said, "It is a very short measure containing practically only one effective operative clause". To-day, he says that it is a very short and simple measure. Really if you look at it from the outside, it is a Bill of three or four clauses, but by passing this Bill, I can assure the House, that they will be digging the graves of the political detenus. I speak from my personal experience when I say that detenus

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 80,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during year ending 31st March, 1932, in respect of 'Appropriation from the Reserve Fund'."

The motion was adopted.

The Assembly then adjourned for Lunch till Ten Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Ten Minutes Past Two of the Clock, Mr. President in the Chair.

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move for leave to introduce a Bill to extend the operation of the Salt Additional Import Duty Act, 1931. I do not propose to offer any observations on the Bill at this stage. Honourable Members will find the position very fully explained in the Report of the Committee of this Assembly. Sir, I move.

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

THE INDIAN TARIFF (WIRELESS BROADCASTING) AMENDMENT BILL.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): Sir, I move for leave to introduce a Bill to provide funds to enable Government to continue wireless broadcasting in India, by increasing the import duties leviable on wireless reception apparatus.

Sir, I need do no more at this stage than say that our object in introducing this measure is to try and keep broadcasting alive. I shall, I hope, be able to give in more detail the reasons why we are proceeding on the lines upon which we are now doing when I make my next motion in connection with this Bill. Sir, I move.

The motion was adopted.

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[Mr. S. C. Mitra.]

when they return from jail after several years, become practically physical wrecks. I have been asked by several men holding important and responsible positions whether these people are slowly poisoned in jail. Otherwise, why does it happen that when they come out of jail after years they are all ruined physically? Though I do not believe that there is any case for deliberate poisoning, I must agree that the effect is all the same and it is equally ruinous. Not one or two, not a few stray cases, but almost all of them who go to jail even if they had iron constitutions, come back completely wrecked. It may be difficult for some Honourable Members to realise why, when they get some food and some little comforts in the language of my Honourable friend, Mr. French, they should come back with shattered health. Sir, for that purpose of appreciating their condition you must put yourself in the position of these detenus. I tried to emphasise this point more than once that the Bengal Criminal Law Supplementary Act is not a penal law, that it is merely preventive; but if you search the whole criminal law in India, out of the 511 sections, there are very few sections which provide punishment for more than three or four years; while under this very simple measure of my friend, Sir James Crerar, they keep men in jail not month after month but year after year under restraint—they are sent to jail for an indefinite, an unending period, and it is this indefiniteness itself which tells so very heavily upon a person's constitution. It may appear very light, but it is not at all so if you have the painful experience. You may say that even if I am asked to stay in this House for, say 24 hours, what would be the difficulty provided I am provided with food? As a matter of fact many people do not go out of their office rooms for hours together, but you must appreciate, Sir, the psychological effect that once you tell a man that he cannot go out of a particular building for, say five hours, that will be putting a great strain on his nerves. He might have no personal inclination to go out of the room for another 12 or 14 or even 24 hours, but once you tell him that he cannot go out, that very thing will have the most evil effect upon his nerves, and that is the reason why the highest medical authorities agree that if you keep a man for two or three years in jail, he will certainly be deranged to a certain extent. So, before we decide upon this measure, we must realise what the real strain is on the physique of these people, who, mind you, are not found guilty by any court of law; Government themselves admit that it is not a penal measure but is merely preventive; nevertheless, Sir, Government make these people suffer far more in actuality than most of the real criminals for whom the penal laws of the land provide. As regards the solitariness of the jail itself, I know that even for the worst criminal, when a sentence is passed, there is provision in the jail codes whereby such a person does not suffer the whole period of solitary confinement at one stretch but by periods of two or three months at the most, at a time, in a solitary cell, after which there is an interval, but what actually happens in the case of detenus—and believe me, it is not at all an imaginary tale I am reciting—is that many of the detenus have to pass not only months but years in *solitary* cells! In their case even the jail codes do not provide anything because, technically speaking, they are not prisoners but detenus and should be treated merely as under-trial prisoners at the worst. Sir, I would like to emphasise this point because I personally felt, after the lapse of a year or so, the monotony and dullness of the same room, the same environment, the same scenery, the same

two or three people serving and this monotony tells so heavily on individuals that it is very difficult to make you realise the painfulness of the situation unless you also have some experience of that solitary life.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan Rural): You are giving your own experience?

Mr. S. C. Mitra: Yes, my own experience; and I wish that you should not be misguided by the Mover of this motion when he says, "Oh, this is a very simple measure, it is nothing but transference from one place to another place; the detenus are amply and comfortably provided for." I tell you I know that the Honourable gentleman himself does not feel it because he himself has not had any opportunity to appreciate a fraction of the difficulties and sufferings of these people. Then I shall now tell you something about the difficulties of jail life, particularly when people are transferred to other provinces. Now the jailors in other provinces do not know the status of these transferred detenus. These detenus are generally sent under military guards with special officers; so when they go to a new place, the first impression of the jailor is that they must be treated like capital sentence prisoners. I said it once and I repeat it again and my experience has been confirmed by my friend, Mr. Phookun—who I am sorry is not here now—when he was put into a cell, after seven days he was feeling he was going out of his wits, because the strain of being couped up in a cell was so much. And, Sir, I will tell you, a cell means only a small room with a small window, 6 feet high, and generally walled by corrugated iron! You will now realise their position. (Shame, shame.) Now when these prisoners are sent out of their provinces, the jailors in the other provinces, not knowing their status, always treat them in the degrading fashion of capital sentence prisoners for the first few months. Now Government machinery will take months before even the so-called rules are supplied to the jailors in other provinces. In this connection I would like to state further that there are some jail rules which are very humiliating and insulting indeed. One of those rules is the "*Sarkar Salaam*",—which means that when any jail official enters into the jail, all the prisoners must stand up in a line and salute him. You are asked to go with other base criminals, and do the *salaam* in their company, standing upright along with them. You cannot stand anywhere and everywhere and say "Good-bye, Sir" but you must humbly salute him in the company of other criminals. Now that is one of the insulting things which some of the jailors in other provinces, who do not understand the status of political detenus, compel them to resort to. Then there is another system called the "latrine parade." (Laughter.) I must tell you something about that, because you must feel for yourself what the real position is. Now these people have never been tried in any court of law, they have never been found guilty by any court, and even the executive Government themselves admit that they have not sufficient evidence to secure conviction against these people. Now everyone has to submit to this "latrine parade". Imagine, Sir, cultured, educated people, some of them graduates, many of them well-stationed in life, all these cultured people being compelled to submit to the "latrine parade" by the jailor in a new jail. He will expect these people to stand, Sir, in a parade *with the criminals* to ease themselves in front of all other people! And you can understand how it is possible for cultured people to submit to all these humiliations. (Shame, shame.)

Mr. Gaya Prasad Singh: There is no privacy provided for them?

Mr. S. C. Mitra: None. I understand the real purpose of the Honourable the Home Member is to get this Bill passed in order to stop the interviews. He has not said so plainly, but I can read between the lines to find out what is his real intention. I shall dilate upon that point later. One of the reasons explained why prisoners should be transferred to distant places is that some person, while interviewing his son, was found to have carried some letters. The main purpose of this Bill is to shut out these detenus from all connection with the outside world. Sir, when these prisoners are transferred to distant jails, it becomes impossible for the poorer people to go to that place and interview their relations. In Burma, I understand, there were about 17 or 18 detenus in the years 1926 to 1928, and during this period only Subbash Chandra Bose was interviewed by his brother. I think the Honourable the Home Member himself has said that the purpose of this Bill is to transfer all political detenus to a jail in Ajmer. The name of the place is Deoli. It is an old dilapidated fort on the boundary line, between Ajmer and Udaipur, and it is more than 80 miles from Ajmer City. I have obtained this information from Diwan Bahadur Harbilas Sarda and am speaking subject to correction by the Home Member. It appears that there is an old dilapidated Fort at this place and money amounting to two or three lakhs was sanctioned by this House a year or two ago under the heading "Civil Works" without any Member having any idea that it was for building a jail there. Such is the jugglery in our detailed estimates in the Budget under the various heads. There is a railway line from Ajmer city for a distance of about 14 miles to a place called Nasirabad and thereafter one must ride on a camel or go by bullock cart for the rest of the 60 miles. That is the grand provision that the Honourable the Home Member is making for the detenus before his final kick to this unfortunate country. If his intention is to prevent people from interviewing these detenus, let him say so plainly. If this is the end he has in view, it can be achieved even in Bengal. Why should he ruin the health of these detenus by transferring them from Bengal to Ajmer, because they are not accustomed to the heat of such a place in the summer? Sir, let me point out to the Honourable the Home Member that these interviews are sometimes necessary even in the interests of Government.

I would like to impress on the Members on this side how it is that these detenus go on hunger strike, about which we read so often in the newspapers. After remaining for some time in the jail—here, again, I speak from personal experience—there is such a strain on the nerves that even a quiet, calm and reasonable man becomes to a certain extent unreasonable. If they are allowed to have interviews with their relations or guardians, it helps them a great deal to rehabilitate themselves to their normal condition. I have also consulted medical officers on this point and their verdict is also the same. Now, the Home Member proposes that these detenus should be put in a jail at Deoli, which is more than 80 miles from Ajmer, and more than 60 miles from the Railway station. The suggestion of my Honourable friend Mr. Abdul Matin Chaudhury that some provision should be made for granting travelling allowance to the relations of these detenus when they go to see them has also been ruled out in the Select Committee.

The Honourable the Home Member cited a case of letters being sent out by detenus in a clandestine way and therefore I must also give my

views about the sending of letters from the jail by these detenus. I personally think that this is one of those cases which had been referred to by Mr. S. C. Sen. Can Government explain why the father has not been prosecuted in a court of law for clandestinely passing letters which he is prohibited to do? In all such cases you will find that no cases are instituted in any court of law. That is the respect which they have for their own courts of law. What happens is this, that in order to carry on the administration of the country, the Government do many things which they cannot plainly and publicly profess. There are *agent provocateurs*, who are sent to tempt young men in various jails. There they exert their influence on these detenus, and sometimes get them entangled by procuring so-called confessions. Sometimes these spies write letters purporting to have been written by some detenus, otherwise political detenus are not likely to be so foolish to incriminate themselves by such letters. These letters are then placed before the so-called two Judges who sit on these facts in judgment. At first it was decided that the cases of detenus should be placed before two High Court Judges, but the High Court refused to have any connection in this matter because they considered it insulting to pass judgments merely on Untested evidence. Now the Government select two Judges belonging to the Listed Service or from the Civilians. Now, I tell you these *agent provocateurs* are sent to the jails in order to secure some letters which are used as evidence against the poor detenus. The Honourable the Home Member has said, "We have information that specific instructions were issued from places of detention to murder a particular Superintendent of Police, to murder the President of a Tribunal, to murder a high official, to concentrate on the murder of Europeans, etc." I cannot for a moment believe it, for the simple reason that nobody would like to create evidence against himself. These are all the acts of their own spies. Even if, for the sake of argument, I accept that there was one boy who tried to pass some letters, should that be the ground to put all the detenus under the ban and thus make interviews impossible for all detenus for all time? The Honourable the Home Member seems to be of the opinion that if a man is found stealing, the simple way is to cut off his hands so that in future he may not steal anything. Or, if there are burglaries, an Ordinance should be passed that nobody should go out of his house after sun-set. By some such simple means he can provide very easily for the government of this country, and they are providing in that way. But I would appeal to the House that they must see that such drastic powers are not given to the Government because there was a single case of a letter sent from the jail.

If they are sent to a hot climate these detenus will suffer. As regards censorship, there has been an elaborate system of censoring letters. If a letter is written by a detenu to any of his relations first it goes to the police officer and then to the jailor. I can give you examples from my personal knowledge. Recently my nephew wrote a letter to me. He was first prosecuted in a court of law, and when he was acquitted he was immediately put under the Criminal Law Amendment Act. The major portion of this letter is deleted. I can give this letter to the Honourable Members of this House to see it for themselves. (The letter was shown to Members in the House.) Four or five lines of this letter are left out and I understand that the letter that I wrote to him has been withheld from him. The censors will never tell a detenu whether any letter addressed to him has been withheld or any portion of the letter has been censored

[Mr. S. C. Mitra.]

or obliterated. My nephew is a graduate, and even if he is considered politically a dangerous fellow, he knows that his letter goes to a Member of the Assembly who is outside and yet his letter is censored. In this particular case my apprehensions are that the portion of the letter containing a reference to a case before the Magistrate has been censored. When he was under trial before the Magistrate my nephew narrated how he was tortured while in police custody and I wrote a letter to the police officials to have an enquiry made about the allegation and I think he must have written something about this in his letter which has been censored. Now, if I ask for an interview, that will be denied to me. But even if I am allowed an interview the police official will be present there, and my nephew will not be allowed to narrate the story of the police torture and the insults that were heaped on him while under police custody. As long as he will be under detention he will get no opportunity of saying anything against police officials. That is why the censorship has been introduced and is so strictly enforced. As regards interviews, they are always held in the presence of one or more police officials. There is barbed wire, and there is a distance of some feet which separates the interviewer from the detenu who is interviewed. Several detenus have refused these interviews because of the insulting conditions attaching to these interviews. They do not like their relations to be put under humiliation because the relations have to go from the police to the jailor first to secure permission and then at an appointed time you go and stop there for hours. Then the police officer comes and he gives an order as to where the relative can stand. The relative has to shout and if the relations are ladies it is easily imaginable whether they can shout from such a distance.

As regards transfer of detenus, that is a crucial point in this Bill and before I submit my own views on the point I should like to repeat from the speeches of some of the Honourable Members in this House itself. My Honourable friend, Mr. Mudaliar, who is not present today, in his speech said:

"You ought to have provisions whereby there should be a strict obligation cast upon the Government. These people should not be at the sweet will and pleasure of any Inspector General of Police or Superintendent of Jail who tells them that while in Coimbatore they must behave as Coimbatoreans do, I do not know how they behave—but that is what a Superintendent of Jail might be inclined to say if he has not got a legislative restriction that he should treat them as they would have been treated if they had continued to be in Bengal. It is for your convenience, for the sake of the facilities which you want, that they are transferred out of that atmosphere and placed elsewhere and there ought to be a provision that in the matter of dieting, in the matter of clothing and in the matter of those amenities which are essential for the ordinary comforts of life, they should have those amenities which they were accustomed to have in Bengal."

The main argument of the Honourable the Home Member is that these detenus are inveterate or dangerous terrorists, but really that is begging the whole question. First prove that they are inveterate terrorists and then put them under any restrictions, you please. Because Government call them inveterate terrorists, so they must be indefinitely put under restraint is not a reasonable proposition. The Honourable the Home Member justifies his argument on an assumption which he has to prove, that is that they are inveterate criminals. If they are inveterate criminals why not prove it in a court of law?

As regards this so-called examination of the case by two Judges, I have forgotten to explain it in detail. What happened in my own case was this; perhaps the Honourable the Home Member will rise up and say that these detenus are charged under certain heads and they explain their case and it goes before two judges. It is a misnomer to say that there is any real charge or any examination of the case by the two Judges. No definite charges are framed. The detenu is merely informed, "You are an associate of so and so, you are an enemy of British Government". In such vague terms are the charges framed against the detenu. I am speaking from my own personal experience. They will say "You have smuggled arms from 1926 to 1928". No definite period will be given so that the detenu may be given a chance to refute these allegations. I do not claim for the detenu that any lawyer should be appointed to defend him, I did not want my case to be defended by any lawyers but I merely wanted to be present before the Judge to explain anything that was considered suspicious by the police, but this humble demand was not granted. I do not even now know what were the specific allegations. If a detenu asks to be allowed to cite any witnesses, that is not allowed, and even if he asks to be permitted to appear before the Judges to corroborate his statement and to try and convince the Judges of his innocence, or even to know what are the definite charges against him, even these facilities are not allowed to the detenu. If the Government are not able to disclose the names of witnesses against the detenu, at least they can give the facts that go against a particular man. But nothing is permitted. Honourable Members might be under the impression that the cases against the detenus go before two Judges who are of the status of High Court Judges and that there would be some sort of trial, though no lawyers were present. To disabuse their minds of this impression, I will submit in detail that this so-called examination by High Court Judges is a mere mockery, and as the High Court of Calcutta decided, it is insulting to ask any of the Judges to pass a judgment on untested evidence.

As regards diet I explained in detail that the food which Bengalis take is not the same as other people take in the different provinces. These detenus will now be transferred to Ajmer. It is well known that fish is one of the principal elements of diet in Bengal. I asked my Honourable friend Diwan Bahadur Sarda about Ajmer, and he said that there is no chance of getting fish anywhere near Ajmer. As regards the method of cooking I read several letters. Here is a letter which I asked the other day my Honourable friend Mr. B. Das to read. That was written by a lady about her very sickly brother who has been transferred to Cannanore Jail in Madras. His name is Ramesh Chandra Acharya. He was in jail, she writes, with some intervals for more than ten years. It is not unknown to this House that, what happens is that once a man is under suspicion he is always a suspect. After four or five years, they let him out for a few months. Then when there is a political case and the police, whose efficiency is well-known, cannot find out the culprit, necessarily all these fellows who are near about must be put under restraint because, in the case of detenus, no evidence will be necessary. As a matter of fact I will tell you how these laws are applied. One of the most recent cases was that of the editor of the *Benu* who was released only the other day after full two years' imprisonment in jail. As soon as this young man was coming out of the jail, he was arrested under the Bengal Criminal Law Amendment Act. The law says that any man "Who has acted, is acting

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or is about to act" in a certain manner may be arrested by any police officer and comes under the purview of this Act. Now take this particular case. This man was undergoing rigorous imprisonment in a British jail for 24 months for writing a seditious article. Before he comes out, how has he "acted, is acting or is about to act" in that particular manner? And yet he has been put in jail again under this Criminal Law Amendment Act.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): There is such a thing as thought-reading.

Mr. S. C. Mitra: Then one condition is that no proof is necessary and for a court of law to give more than two years a sessions trial is necessary. But under the Criminal Law Amendment Act Government can put a man under restraint for any indefinite period. I am not exaggerating at all. There are many detenus who have been now in jail for more than three years, and after another two years, if we are here, we will hear that they are continuing in jail for any number of years. If there is a trial and a conviction, there is some period fixed, but here there is no time limit. He may pass his whole life in jail, and sometimes they come out for a few months and are put in jail again. So when this House considers the case of these detenus they should not forget all these facts. They should not think, as Sir James Crerar thinks, sitting there quietly, that it is a very simple measure, and the easiest way to govern India is by Ordinances and by certification. This lady writes to me that her brother is suffering from paralysis, he cannot move without the help of two sticks and he requires a special sick diet. Now prisoners there in that jail can speak only Malayalam and Kanarese, and he cannot make them understand how to prepare his food. That is his difficulty and so he has written a piteous letter to his sister and she has sent that letter to me to move on his behalf. They think we have some power though they will be disillusioned when they know that we are as helpless as the relations of these poor detenus are.

Then, Sir, about the princely allowance of which my Honourable friend Mr. French was boasting so much the other day, I shall read an extract from the *Liberty*, because I am speaking of a man who is well-known to this House.

"In the C. P. Legislative Council there was a volley of questions regarding Mr. Subhas Chandra Bose. The Home Member admitted that Srijut Bose's movements were confined to a small yard even during the day time and that he was not permitted even to have morning and evening walks outside the yard."

It may be known to this House that "yard" means a very small place which includes the cottage and some open space:

"Re. 1 per diem has been sanctioned as diet allowance for him. The question of revising the allowance, the Home Member said, was under the consideration of the Government. While three Governments, the Government of India, the Government of Bengal and the Government of the Central Provinces are exchanging notes over this one rupee a day, Mr. Bose is living on the meagre allowance of Re. 1 a day. Surely this is not how a State prisoner should be treated."

Now, they say this was under Regulation III, and the Honourable the Home Member is just contemplating to transfer him as soon as the Criminal Law Amendment Supplementary Act is passed. Under Regulation III of 1818 a man is to be treated in jail according to his status in life. Fortunately or unfortunately Mr. Bose was a member of the Indian

Civil Service. He was the Chief Executive Officer of the Calcutta Corporation and he was Mayor of Calcutta and you can easily understand his status in life. He was brought up in luxury and comfort. Now the idea of the Home Member here is that such a man is to be paid one rupee a day. If you tell these Honourable gentlemen who belong to the exalted Indian Civil Service to which Mr. Bose himself belonged, that in these hard days one pie of their Lee concessions is to be cut, there will be a moral indignation on the part of the whole Civil Service and even such a sweet man as Sir George Schuster will say that it is not possible to think of cutting the Lee concessions for the Civil Service. But here when they treat Indians, they are by their own law bound to treat them according to their status, and this gentleman is getting one rupee a day. He was with me in detention in Burma jail and there they used to give him Rs. 200 a month. But every little order must pass through all the little parts of this machinery of the bureaucratic Government. It will take months before something is settled and during that time the man's health may be totally ruined by living on one rupee a day. Thus do they look after the comforts of these people? As regards Mr. J. M. Sen-Gupta, we know he was suffering from heart disease and high blood pressure for a long time and he was advised not to go to any hill station, but soon after his arrest he was removed to Darjeeling and then, after much correspondence while his health was breaking, he was brought down to Jalpaiguri. I tell you these things to impress upon this House that it is not such a simple and short measure as my Honourable friend thinks it to be.

Then on the last occasion I asked a question as to why Government make unnecessary laws. They are dealing with these men and they send this measure for circulation to get the opinion of the public but they do not wait for this legislation; they go their own way and get these persons detained under Regulation III of 1818. When Government have a Regulation in their old stock to deal with these people why do they forge a new law every time? I hope the Honourable the Home Member in his reply will meet this point. As the Honourable the Home Member has got much regard for my friend, Mr. Biswas, I hope he will at least accept his advice. Speaking of Mr. Biswas, Sir James Crerar said:

3 P.M.

". . . . . Mr. Biswas, who gave to the House what I think was a very fair, candid and lucid account of the issues as they present themselves to many."

Mr. Biswas had said in his speech:

"The question is this, whether or not we should require some assurance, either to be embodied in the Bill itself or in rules to be framed under the Bill, to ensure that where such detenus are removed from Bengal to another province, certain things should be done to reproduce as far as possible the conditions of detention in Bengal—conditions as regards food, health, comfort and so on. As my Honourable friend, Sir Abdur Rahim, has said, we hope that when the Bill goes before the Select Committee, that Committee would try to insert some clause in the Bill which would make it obligatory on the Local Government to provide for these things, in other words, to minimise discomfort and risk to health as far as practicable. I say, as far as practicable, because so far as the climatic conditions go, nobody can control that. But subject to that, I say it should be possible to reproduce the conditions of detention in Bengal in the provinces to which these men may be removed."

But in the Select Committee where there were fortunately or unfortunately, such eminent members as Sir Hari Singh Gour and Diwan Bahadur Harbilas Sarda, people with big titles—there they have not embodied anything. I think they do not have the necessary experience; they were misguided there. They thought that some rules—which I understand

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were circulated to these gentlemen—would be made and therefore they thought those rules must be applied and there would be no difficulty. In the Bill itself they say that rules must be made by each Local Government where these people are transferred. But how are these rules applied? Every letter from these people is censored; interviews must be in the presence of police officers, who without any reason whatever can curtail interviews at any moment. But our good friends thought perhaps that every word that the Government say must be correct, just as some illiterate people think that everything printed must be true. So they accepted that there are some rules; but to see if these rules are strictly followed, have they provided anything in the Bill itself? That is the difficulty, I know; and very wisely my friend, Mr. Ranga Iyer, refused to go to the Select Committee, because he knew that he could not agree to the transfer of detenus to other provinces which would involve much difficulties and sufferings; and that there is no provision in the rules by which you can protect these detenus, because Government claim that all their letters and all their communications and all their interviews must be subjected to strict censorship. Further there is no provision in the Bill to see that the rules will be properly enforced. Even as regards the Ordinances, we experience almost every day that when Government wish to tyrannise over people in spite of the rules in the Statute, nothing can prevent them. I know what happened in Chittagong, which is in my constituency. I know further that there was an honourable Englishman, the Commissioner, Mr. Nelson, who was asked to report about the Chittagong riots. He could not swallow all the dictations of the higher authorities: he made a report and I challenge them to contradict me. He said in his report that there was deliberate action by some police and unfortunately by some non-official Europeans who burnt houses and destroyed property. This is his finding in the report that the riots were created for reprisal. Our friends in the Bengal Council tried their best to get the Government to publish this Report or the substance of it. A journalist friend of mine came the other day from Bengal and he told me that in Nelson's Report, if anybody gets a chance to see it, he will find that he was fully convinced after inquiry that it is the same old Irish policy of Black and Tans that was being pursued and the same method is going gradually to be introduced in all parts of the country.

In my last speech on this subject I made it clear that you must try to put an end to the main cause, the root cause and try to eradicate it. It is no use trying to use these palliatives of Supplementary Bills, they will not cure the disease. My Honourable friend, Mr. French, made a speech the other day, and in that speech he contradicted the commission of atrocities that I referred to at Midnapore that give subsequently the cause for reprisal. He said my statement was incorrect, because he happened to be there after a month and found no trace of it. I am placing evidence before you now that he was incorrect or at least he had not sufficiently tried to investigate the truth. There was an unofficial report by a committee and the President of that Committee was Mr. J. N. Bose, a very respectable man whom even the Government in their wisdom selected as one worthy to be sent to the Round Table Conference even after he had made that report. He was challenged in the Bengal Council. Mr. Prentice, who holds the same position there as the Honourable Sir James Crerar holds here, asked:

"May I ask, if Mr. Basu is prepared to take responsibility for this statement?"

Babu Jatindra Nath Basu said "Yes."

Mr. Narendra Kumar Basu said:

"I submit that the report of that Committee, short extracts from which were read out by Mr. Neogy in the Indian Legislative Assembly, and which, with your permission, I shall read to this House, shows the way in which the police have been behaving in that part of the country, which is certainly not. . . . . "

when he was interrupted. Now, Mr. French says:

"I know Midnapore district well. It is not a primitive or backward district; it is an educated and up-to-date place, and they know as well how to bring a suit against Government as in any part of India. They might have objected to going to criminal courts, but the civil courts are open. When I was a Joint Magistrate in Midnapore, I received a number of notices of civil suits and when I was there last year I got notices of civil suits also. If any thing had happened it would have been brought at once into the civil court for heavy damages."

May I ask the Honourable Member what was the objection on the part of the Government themselves, when this Report was published, to bring a case against these gentlemen, to prove that their reports were false? As a matter of fact the people in Midnapore district are *Satyagrahis*: they do not go to court. Mr. French may not know it, but I know it. I am a Congressman still today; and a Congressman will not go to a civil or criminal court and ask for justice. That is the reason why they did not do it. But what was the reason on the part of the Government not to vindicate their conduct when it was openly challenged in the House and the Report is a published document? Now, I shall proceed to give some facts for Mr. French's satisfaction. Later on, the same Mr. J. N. Basu in the Bengal Council said:

"In the villages I visited in the district of Midnapore there were some cases of the breach of the salt law, that is to say, there were cases of manufacture of contraband salt. But the way the authorities dealt with the situation was that there was a police cordon drawn round the whole village, and whether the inhabitants were offenders or not, every home was entered into, the inmates seized and beaten and the household property destroyed I am sure that even in the centre of Africa, which is backward, we do not find a situation similar to what has been happening in Bengal—in British India—for the last few months, and upon which we cannot but look with disgust and shame. Sir, why should Government be afraid of coming out into the open, and why should they not appoint an independent committee and let people produce evidence before it to see whether persons who have been injured and whose rights have been trampled upon have been really offenders against the law?"

"I personally examined several hundred such persons and found that out of those persons about 15 were really offenders and the rest were ordinary peaceful citizens who had nothing to do with the breaches of the law. If there is an independent Committee there will be an opportunity for these men to come forward and give evidence."

But, Sir, his cry was a cry in the wilderness as it often happens in this House also. There was no Committee of any sort, in spite of his challenge to publish the Report, a copy of which must be available in the Government departments. No steps were taken to refute what he said, and here the Honourable Member may stand up and say that he made an inquiry and found that the facts stated were not accurate. But I shall give more details to convince him and to show what actually happened. I am now reading from a book called "India" published in England:

"The complaints against the Police and Excise officials can be classed under the following heads:

(*a*) Assaults: The evidence of the persons examined by the visiting members of the Committee showed that there was assault by the hands or by kicks and also by

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canes or lathis. In two cases the beating was so severe that the person beaten had fainted. The assault was unprovoked. The persons assaulted consisted of villagers mostly, who were in their homes at the time of assault or passers-by in public places or spectators near places where salt was being manufactured. There were also among the witnesses a few satyagrahis or volunteers or who were villagers who desired to offer Civil Disobedience by the manufacture of salt. In none of these cases it was found that any provocation had been offered to the police or any violence had been shown or directed to the Police or the officials. The scars of the wounds in some cases were so well-marked and large as to show that the beating had been very severe.

The Committee found some cases where women had been beaten with canes and they bore marks of assault on their bodies.

At Kholakhali seven women were examined, all of whom complained of severe assault by canes, fists and kicks. Their clothes had, in some cases, been torn off their bodies.

At Subarnadighi the girl in an advanced stage of pregnancy was found to be breathing with difficulty, tears tricking down from her eyes, and she bore marks of molestation on her person. It is surprising that a case like this should have happened with a Magistrate accompanying the police party. The girl was not physically capable of creating such troubles as might lead to her being assaulted. She had also no time to concoct a story, as the members arrived at her house soon after the police left her house.

In some cases the assault was directed not only physically to hurt the person assaulted but to humiliate him in the eyes of others. Some men were made to hold their ears and to stand up and sit down several times. Some men were also made to rub their nose on the ground.

(*b*) Damage or destruction or removal of property. The Police and Excise officers have the right to make house searches under certain specific circumstances. From what the visiting members saw with their own eyes, they found that in the cases in which the police and other officials had entered the houses of the villagers there was no circumstance which could lead to a house search.

If the entry into the houses was meant for the purposes of search, it was strange that such entry was not peaceful and was followed not by a lawful search, but by the destruction of property and beating of the inmates. There appeared to be no justification for such violence and interference with elementary personal rights.

The Committee do not see any justification for the breaking of the pots and pans, the destruction of domestic stores and foodstuffs, the smashing of vegetables and the scattering about of grain at the houses of the villagers. They fail to see how the smashing of conch bangles, the making of which is a local industry, or the pulling down of thatch from the roof of huts could have been of any use.

This is all from the Report. I would not have cared to read extensively from this book if my friend Mr. French had not provoked me to give him some facts. If he wants the names of the witnesses who gave evidence, they are all published in the book; it is now public property; he can buy a copy of this book and satisfy himself. I am referring to all these things only incidentally.

Sir, I was recently reading the book supplied by Government where they have given a list of dacoities and murders that were committed; till the earlier part of 1930, the cases that were reported are only of dacoities, and not a single European was touched. But later on in the year I find a number of cases where attempts were made or even assassinations were committed on Europeans, and if you enquire for the real cause you will find that it was the inhuman and brutal manner in which the *Satyagrahis* were treated that gave rise to revolutionary mentality amongst the younger generation. I will finish my speech by reading a small portion from the statement of the girl who was only the other day punished by the High

Court. From that statement Honourable Members will see how the young minds are working. Try to remove the causes that create that sort of mentality in the younger generation, approach the disease from that standpoint, and not by passing this "short and simple Bill." Sir, I shall now read from the statement of Miss Bina Das . . . . . .

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): It is a statement which was not allowed to be published in the Calcutta Press.

Mr. B. Das (Orissa Division: Non-Muhammadan): It was not allowed to be published except in the *Statesman*.

Mr. K. C. Neogy: Censorship varies in Bengal according to whether the paper is Indian or Anglo-Indian.

Mr. S. C. Mitra: She says this:

"I am emotional in my temperament. Every act of humiliation to my country, nay, any suffering even to an animal would cause the severest pain to me which would almost make me mad till it found expression in some work of relief. All the Ordinances, all measures to put down the noble aspiration for freedom in my countrymen came as a challenge to our national manhood and indignities hurled at it. This hardened even the feminine nature like mine into one of heroic mould.

I studied in the Diocesan College for my B.A. degree examination and passed my B.A., with Honours in English, and my father sent me to that college for an additional course of study for the B.T. examination in order to give me an opportunity to see the best side of British character. I gratefully acknowledge that I have immensely profited by my study under the sisters of my college. But, at the same time, with the comparative knowledge of things, I felt and felt with deep anguish that the Christ-spirit was not much in evidence in the administration of a Christian Government.

The series of Ordinances savouring of martial law, to my mind, showed nothing but a spirit of vindictiveness and were only measures to crush down all aspirations for freedom. The outrages perpetrated in the name of the Government at Midnapore, Hijli and Chittagong, which is my own district although I have never seen it, the refusal to publish the official inquiry reports were things I could never drive away from my mind. The outrage on Amba Da i of Contai and Niharbala of Chittagong literally upset my whole being. I was a private tutor to the wife of a detenu. Every day I saw with my open eyes the sufferings of the poor wife leading the life of widowhood in the life-time of her husband, the almost demented mother, and the father every day sinking into the grave, without their having the faintest notion of the nature of the supposed guilt. I attended the court to see the trial of my own sister Kalyani Das. Her punishment to serve a term of rigorous imprisonment for attending a meeting, which could not be held, and for being member of an unlawful society, without any evidence to show that she was a member thereof except a leaflet which I learnt was published and circulated without her knowledge, was to my mind unjust. She is a graduate with Honours and lived in all the comforts of the life of a well-to-do respectable family, still for some days of her life in prison she was subjected to the ignominy of jail-dress and jail diet of an ordinary criminal and had even to pass sleepless nights and amongst such criminals. I saw all this with my own eyes and also saw the bitter tears welling out of my dear parents. I thought such must be the sufferings of many families and many men and women to be counted by thousands. All these and many others worked on my feelings and worked them into a frenzy. The pain became unbearable and I felt I would go mad if I could not find relief in death. I only sought the way to death by offering myself at the feet of my country and thus to make an end of all my sufferings and invite the attention of all by my death to the situation created by the measure of Government which can unsex even a frail woman like myself brought up in all the best traditions of Indian womanhood."

There are other portions, but I have read only the relevant portion, I have not read the whole thing, which is not necessary for my purpose. This proves another allegation why such harmless statements even are proscribed, and it clearly shows how the minds of these young impressionable youths are working. She came in contact as a tutor with the

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wife of a detenu, and she was seeing from day to day what was happening in the country, and that is how she has imbibed this spirit. I should like to impress upon the Government that these measures will not help; they must go to the root cause. With these words I oppose this motion for consideration.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): I sympathise with the Honourable Member who has just now resumed his seat. If there is any person in this House who can tell us about the conditions under which detenus have to suffer, it is he. He has given those conditions under which the detenus are made to suffer, and the sympathy of this House is due to them.

Sir, the Honourable the Home Member has told us that this Bill is a short and simple Bill. It is a short Bill; it is a simple Bill; but he has not told us that this is a drastic Bill. It is that also. It is short, but it also makes short work of those liberties of the people, for which his ancestors fought and bled and which an Englishman today considers the proudest privilege which he has earned dearly for himself and his fellow subjects. The last speaker remarked that the titled gentlemen in the Select Committee were misled. I was one of the members of the Select Committee, but because I was not a titled person, perhaps I was not misled. I appended a note of dissent to that report, and the Committee's recommendations are not mine in so far as they differ from my views.

Sir, the Bill, as has been mentioned, is a short Bill. It provides, firstly, for the transfer of detenus from the province of Bengal to any other province, secondly, it seeks to remove the power given under section 491 of the Code of Criminal Procedure. So far as clause 2 is concerned, we agreed to the principle of transfer on the last occasion when the motion for reference to a Select Committee was moved, that it should go to that Select Committee. The House had practically agreed to that position taking into consideration the fact that the public opinion that was gathered was divided and therefore the Select Committee should take the whole thing into consideration and come to a decision as to giving effect to the principle of transfer without hardship. We in the Select Committee found it difficult to incorporate in clause 2 such conditions as would satisfy, at least us, as to the manner in which the detenus are to be treated. I was surprised when the Honourable the Home Member made his introductory speech today, that he made no statement as to the conditions under which or the comforts with which these detenus would be assured to be treated. Perhaps, when my Honourable friend, the Leader of the Nationalist Party, speaks on this motion, he will enlighten us as to what we did expect from the Government with regard to this, at this stage. Sir, my concern was not so much in regard to clause 2 as to clause 4; my objection was to the retention of clause 4. In my note of dissent I have stated that clause 4 would cut at the root of the fundamental rights of a citizen, and it is a disgrace to any Government which claims to be a civilised Government that it should allow such a clause to find a place in the Statute-book. When I said that, it was not a very original remark that I made. I told the Select Committee that it was not my own view, but it is the view of every eminent lawyer. I thought that if I were to refer to the remarks of a gentleman who holds the highest place in the legal profession in Madras, who is as much a Government official as

anybody else, being the Advocate General of that Province—I thought I could be able to influence the Select Committee with his remarks at any rate. I am referring to the remarks of Sir Alladi Krishnasami Aiyar, the Advocate General of Madras, who, though a titled person, though the Advocate General of Madras, is an advocate of high reputation who has disapproved the provision under clause 4, in unmistakable terms. He said:

> "But in principle I am opposed to a provision like clause 4 which affects the only effective remedy available to a subject of questioning the acts of the executive. If the conditions of the Statute are satisfied, the detention is lawful and the High Court will not excercise the jurisdiction under section 491 of the Criminal Procedure Code. If, on the other hand, the detention is unlawful because the conditions of the Statute have not been complied with or the order has not been passed, say, by the proper authority, there is no reason why the subject should be deprived of his remedy under section 491 and the principle obtaining in every part of the British Empire, namely, that a person has a right to be protected from illegal imprisonment, should be departed from in this country. I realise that there is this thing to be said in favour of the retention of clause 4, that section 491 already contains a provision to the effect that the remedy under the section is not available to persons detained under Regulations. . . . ."

Those were the remarks of the Advocate General of Madras, with which I am in agreement. He also made a further remark. He said whether it is competent for this Legislature to provide a section like that and do away with the powers of the High Court—whether the Legislature has got that power to do away with the inherent powers of the High Court was discussed. He mentioned also some rulings of the High Courts of Bombay, Calcutta and Madras. Whatever may be those rulings I am prepared to give in to the Law Member if the Honourable the Law Member is satisfied that we have such power. If we have not, then, as a Law Member of the Government of India, he would advise us I expect that we should not incorporate or provide a place for it in the Statute-book. But, Sir, whether it is within the power of this Legislature or not, there is another place where it will be questioned if any such clause finds a place in the Act. It is unnecessary for me to go into that question. (*An Honourable Member*: "You mean in the Heavens!") Not so high above but—in the courts which always interpret the law. No doubt, the Honourable the Law Member would now say that if the procedure laid down in the Bengal Criminal Law Amendment Act is not followed, then such a conduct is illegal, and if that is illegal, our objection does not stand. As the Honourable the Law Member is nodding his head, I assume that that is so. Section 491 provides that where a person is illegally or improperly detained, then the powers of the High Court would come into operation. Therefore it is begging the question to say if the conditions laid down under the Bengal Criminal Law Amendment Act were not complied with that it would be illegal and therefore our objection is uncalled for. I would say this. It is only when it is illegal that this section 491, Criminal Procedure Code, would come in. As has been pointed out by the Advocate General of Madras in the quotation I read a little while ago, if the conditions of the Statute are satisfied, the detention is lawful. That is to say, if the procedure as laid down in the Bengal Criminal Law Amendment Act is followed, then the detention would be lawful and the High Court would not exercise the powers under section 491, but if that is not lawful even under the Act then where is the remedy. Therefore section 491 must be there to give us that guarantee that in case a person is detained unlawfully, or improperly, there is the remedy of going to a properly constituted authority to question that. I

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would like to know what the Honourable the Law Member would say in justification of taking section 491 away under this Bill. If the action of the executive is illegal and improper or done without sanction by competent authority, then only this section would come in. In this connection I would like to invite the attention of the House to the proceedings of the Assembly in 1925. Then the *ex*-leader of the Nationalist Party, Mr. Rangachariar, spoke as follows:

"It is to deprive the High Court of that very small and not altogether effective power of examining the case of any person who has been arrested under this Act and detained without being brought to trial. Is it that the Bengal Government are afraid even that this shaded light of the High Court should not penetrate the dark corners of the action of the executive in this matter? What is the fear of the executive of the High Court? Why are they afraid of their own High Court in which you have got eminent judges. All that the High Court can do under section 491 of the Criminal Procedure Code is to call for the record, or rather to call upon the officer who detained the person without trial to show that the detention of the person is not illegal or improper."

Then again Mr. Jinnah, the then Leader of this Party said:

"The Bengal Act gives the executive and the police the power to arrest any citizen and to detain him indefinitely or for as long a time as they desire. Now, unless they strike at the root of the principle of the writ of *habeas corpus*, which is incorporated in section 491 of the Criminal Procedure Code, they cannot carry on that nefarious Statute to its logical conclusion, because if they detain a citizen under that abominable Act, there is section 491 and he is entitled to ask for a writ of *habeas corpus* and the result will be that the High Court, of which I am very proud in this country, will not tolerate that for a single moment. It is for that reason that the Government wish to use their axe at that writ of *habeas corpus* under section 491. That is their scheme, that is their design. They wish to pursue that scheme and design. They wish to persist in that policy obstinately and I say once more on the floor of this House that you will regret it and you will create more trouble than you imagine."

That was the opinion of a statesman. I have given you the opinion of an eminent lawyer from Madras and we, humble Members of the back benches, feel that if we contribute our quota to the cutting away of that fundamental basic principle of the liberty of a citizen, I for one would consider myself unfit to occupy any position in public life.

I am invited to bring to the notice of the House some opinions. I wish to quote only two. One is this:

"But if and when the Executive is misled by the Police reports not properly scrutinized and action is taken against undesirable constitutional agitators who may be dubbed as terrorists, then a chance may reasonably be given to such a person to get his position cleared by permitting him to apply for a writ of *habeas corpus* from the High Court. The support of the executive action by the High Court will strengthen the hands of the Executive and the veto of the High Court will inspire confidence in the justice of the Raj. It should not be forgotten that courts do inspire and restore this confidence which is sometimes rudely shaken by overzealous executive officials, who with the best of intentions are occasionally led astray and do not make proper use of powers vested in them. For reasons given above, I am of opinion that section 2 of the Bill may be enacted into law, but that section 4 would be dropped out."

This is the opinion of a District and Sessions Judge. I will give the opinion of the High Court Bar Association, Lahore:

"With regard to section 4 of the Bill, I must say that my Association are strongly opposed to the curtailment of the powers of the High Court. In the opinion of my Association, this suspension of the powers of the High Court is a negation of the right of citizenship, because this suspension removes the only safeguard that the subject has against the Executive vagaries."

I need say nothing more to commend the rejection of the clause by the House, if it is not even amended as we desire.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I have read through this inhuman Bill, which I cannot describe as being anything but a piece of legislation which will not be liked by any section of people in this country. First of all I must refer to the very matter which my friend, Mr. Raju, was just adverting to. It is section 491 of the Criminal Procedure Code which has been set at naught by this proposed legislation, which is going to be hurled at the country's head at this most auspicious time of the year. Sir, if the present Government of India and its members are prone to go headlong into the abyss they are leading to, I am very much afraid that they are launching on a very dangerous pastime. Sir, I find that the powers of the High Court, which are considered universally to be the most sacred prerogative of the High Courts in England and which are vested in Indian High Courts by section 491, are being taken away by the present executive Government by one stroke of the pen. Sir, if the High Court Judges are not competent to cope with the present conditions, and if they are not considered fit enough to decide on the merits and demerits of appeals and to exercise the powers of the *habeas corpus* section, I think it amounts to saying something which is really a great insult to the present High Courts. Sir, we Indians have always had very great respect for the High Courts of our own country (Hear, hear) and we know that the High Courts of India generally follow the rulings and interpretations of the High Courts in England. Sir, my idea is that if the powers under the *habeas corpus* section are taken away, that will not only be heaping an insult on the Indian High Courts, but it will also be an insult really to the whole of the British Empire and the British constitution. Sir, if we stand here to say that proper food is not given to the detenus, if we stand here to say that proper precautions are not afforded to the detenus, that they have very little of comfort in the jails where they are locked in and a lot of similar other harshness, such propositions may sound somewhat incongruous in the present atmosphere, and our friends on the Treasury Benches might say, "Well, we want to arm ourselves for every emergency". But, Sir, to suffer this elementary constitutional right of the people, this constitutional right of the High Courts, to be taken away is really an insult which no Honourable Judge can ever bear with equanimity. Sir, my friend, Mr. Raju, has just read what are the rights under section 491. It is the writ of *habeas corpus* which any individual in India or in England can resort to if he in any way feels aggrieved; he can at once rush to the High Court and have the wrong set right, but by taking away this right, it is every individual of India who is being deprived—mind you, not only the detenus at present—of an elementary right; and my idea is that if these proceedings go on, it will be very difficult indeed for the executive Government to stop anywhere. Sir, the executive Government are trying, without trial to put people into jails and to send them from one province to another—a course which is very much disliked, as I read from the reports, and is distasteful to other Governments and other provinces, but, in the teeth of their opposition, this legislation is being enacted, and we appear to be absolutely helpless at the present moment. Sir, the Government claim that it is only a preventive measure, but the way in which it is being enacted and administered, as we have just heard from my friend, Mr. Mitra, cannot but make one feel that it is not only preventive but a most

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inhuman and cruel engine of oppression. Sir, if you want that the people of this country should remain loyal, and if you want that the people of this country should remain peaceful, my submission is that this is not the way in which you should treat them. It is humiliating to those who go to jail; it is humiliating to their wives and children and other relations, and if they and the general public become desperate, my submission is that it is not the public that is to blame but it is the executive Government which is answerable for all these consequences. Sir, with these remarks I sit down and oppose.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I am not using a mere idle phrase when I characterize this Bill as the most barbarous Bill that can ever find its place on the Statute Book, even though the Honourable the Home Member characterized it as a very short Bill dealing only with one aspect of the question. Sir, the only justification for introducing this most barbarous measure, as we have been told by the Government Benches, is the prevalence of the terrorist movement in Bengal. Sir, at present we are not dealing with the original measure—the Bengal Criminal Law Amendment Act—but we are considering only the Supplementary Bill dealing with the transfer of detenus from one province to another. If, Sir, we have allowed this Bill to go to Select Committee, it is because we feel that this terrorist movement ought not to progress. We are at one with the Government in seeing the terrorist movement put down at any cost. Of course, we approach this subject from a different view point from that of the Government. The Government want to put down this terrorist movement because they want to maintain law and order in the country. Sir, we on this side of the House want to put down this terrorist movement because we feel that the continuance of this movement will only retard the progress of the nation to full self-government. Sir, this nihilist movement has never succeeded in any country, and we believe it will not succeed in this country also. Sir, from this point of view we are at one with the Government in seeing that this terrorist movement is put down. But, Sir, this Bill does not deal with the terrorists as such: it deals with suspects, people who, as the Bill itself says, are merely suspected of committing certain offences or who are about to commit certain offences; it does not deal directly with terrorists; and so, in the actual application of the enactment, we must show some amount of consideration. Sir, the persons who are brought under the purview of this Bill are not actual terrorists, but suspected participants in that movement. The Government, Sir, anyway have vast powers of dealing with the movement. In the maintenance of law and order the officials in the lowest rung of the administrative ladder are made responsible for bringing these people to book. So, Sir, we must treat this Bill with a great amount of circumspection as the executive are liable to be misled by these overzealous lower officials who may catch hold of any and every inconvenient person who comes in their way.

Sir, as I said, if we allowed this Bill to go to the Select Committee, we did so on certain conditions and we specifically charged the members of the Select Committee with the duty of embodying certain amendments and to take certain points into consideration when the Bill was considered in the Select Committee. Sir, in this connection I would like to refer to the speeches that were made by certain responsible Members from this side of the House when the Bill was referred to the Select Committee.

Members who were to constitute the Select Committee were definitely asked to propose certain amendments which would lighten the hardships of the detenus. The Honourable Member, Diwan Bahadur Mr. Mudaliar, when he spoke on this Bill on the last occasion, clearly stated that he would support the Bill going to the Select Committee on certain conditions. He laid down as a condition that in the Select Committee they should consider the advisability of introducing a clause whereby, whenever a detenu is transferred to a different Presidency, the opinion of that Provincial Government should be taken into consideration. He considered this as the most important thing that the Select Committee ought to have taken into consideration. This is what he said:

"Therefore, I would suggest in the first place that when this Bill goes to the Select Committee there must be a provision that no detenu should be transferred to any other province unless the specific consent of the Government of that province or the Administration in that area is taken."

Further on he says:

"Now, I suggest that there should be a very definite provision that the conditions under which these detenus live if at all they should be transferred to any place outside their own province should be adequately safeguarded, safeguarded by legislation, and that is what I am suggesting to the Select Committee."

Then he goes on:

"There ought to be a provision that in the matter of dieting, in the matter of clothing and in the matter of those amenities which are essential for the ordinary comforts of life, they should have those amenities which they were accustomed to have in Bengal"

Sir, the Honourable the Leader of the Nationalist Party, who was also a Member of the Select Committee and who, I think, presided over that Committee, also clearly stated in his inimitable words what the sufferings of these people are. This is what he said:

"Honourable Members on this side of the House, it has been said, are not unanimous upon the main issue. I know the feeling of my people and I know the feeling of those who sit around me, and I am voicing their feeling when I say that, however reluctant they would be in ordinary times to strengthen your hands, they are prepared to waive their objections in view of the exceptional circumstances and the difficulties of the situation."

Further on he says:

"At the same time, they want that when this provision emerges from the Select Committee, you will consider dispassionately that, let us hope, with a certain feeling of generosity, that the removal of the detenus from Bengal does not add to their privations and sufferings more than you can help. That would give to all of us feeling of assurance that, though you are bureaucrats you have not ceased to be human and, though the Government of India is a machine, it is not wholly soulless. That is a charge that I may be permitted to make to you when you sit on the Select Committee. Mitigate their difficulties, assuage their feelings as far as you possibly can consistently with the primary purpose you have in view of isolating them from their surroundings so as to restrict the limit of mischief that you apprehend."

Then in the most feeling terms he says:

"And when you take them away from the familiar scenes and familiar faces where they do not hear voice in which their mothers spoke, or hear the songs which their mothers sang nor hear the songs which their village folks sang, where they see strange faces and hear alien tongues, that, in itself, is a very great deprivation to people removed from one province to a wholly different and distant province. Remember that, and, having remembered that, when you sit on the Select Committee do not weigh your justice in golden scales but let these people feel that, while you are

[Mr. T. N. Ramakrishna Reddi.]

anxious to avoid the mischief, while you are circumscribing their liberties, you are, at the same time, not impervious to the appeals of humanity and compassion and that you will treat them as mere prisoners of State who have not yet been convicted of any crime."

Then, Sir, my Honourable friend Mr. Biswas, to whose speech the Honourable the Home Member paid such a glowing tribute, also spoke of the duties of the Select Committee in following terms:

"The question is this, whether or not we should require some assurance, either to be embodied in the Bill itself or in rules to be framed under the Bill, to ensure that where such detenus are removed from Bengal to another province, certain things should be done to reproduce as far as possible the conditions of detention in Bengal—conditions as regards food, health, comfort, and so on."

Sir, I have at some length read out the abstracts from the speeches of the Honourable Members when this Bill was referred to the Select Committee. We referred the Bill to the Select Committee on the distinct understanding that some such provision should be made with regard to the condition of the detenus when they are transferred to other provinces. Sir, it appears to me that those Honourable gentlemen who spoke on this Bill in this House were suffering from linguistic paralysis when they sat on the Select Committee. Why did they not express the same words in the Select Committee? If their views were not accepted, they should have appended their minutes of dissent. I do not find any such minute of dissent. What they have said is this: "We do not propose that any amendment should be made in the Bill and we recommend that the Bill be passed as introduced". That is how the Bill has emerged from the Select Committee and I charge the Committee with breach of good faith. That is one of the reasons why I oppose the consideration of this Bill. I do not want to take up any more time of the House, but I may say in passing that the most monstrous part of the Bill is where it takes away the powers of the High Court with regard to *habeas corpus*. There are some amendments with regard to that and I will develop my points on the appropriate occasion.

Pandit Satyendra Nath Sen (Presidency Division: Non-Muhammadan Rural): Sir, coming as I do from the province which this Bill affects and affects most vitally, I feel it my duty to stand up and oppose it. I expected that all my lawyer friends at least from Bengal would be present and take part in the discussion on this Bill because, although it is full of various illegalities, it has after all the semblance of law. Sir, the Bill has emerged from the Select Committee exactly as it was originally drafted by some infallible hand and there are reasons for it. Barring a few exceptions the Select Committee consisted of Members whom I can characterise as permanent figures, because they are always chosen by Government to say ditto to their Master's voice. In this case also the result has been exactly as was anticipated by us and has fully justified the careful composition of the Committee. In discussing the merits of the Bill, I am reminded of a Bengali saying which is current in Eastern Bengal and which means, "Well, I have no mind to oust you from your household, but I am simply tilling your courtyard". The history of this saying is that an influential person wanted to eject his poor neighbour from his household but instead of taking a rough and rude attitude towards him by asking him directly to quit he began to till his courtyard, evidently for

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the purpose of plantation knowing full well that in that way the neighbour would be forced to quit in no time. In the case of the Bengal detenus also the principle has been exactly the same as I have just enunciated. By this Bill the Government want to transfer the prisoners from Bengal to any other part in British India from one end of the country to the other.

(At this stage Mr. President vacated the Chair which was taken by Sir Hari Singh Gour.)

This is apparently a simple measure but to put it frankly and briefly, I am constrained to say that Government want to kill these unfortunate Bengali youths by transplanting them from their native place to a foreign soil under different climatic conditions without any proper care and by placing them "among new faces, other minds". The detenus will have to undergo untold sufferings in their diet and habits as well as in regard to their interviews; and what is their fault? Nobody knows it. They do not know it, and their friends and relatives do not know it, and even perhaps the Government do not know it, because the Government sometimes may be simply working on the report of some C. I. D. officers who are even more enthusiastic than the Government themselves in these matters in order to justify their own existence. Apart from these sentimental considerations and considerations of health, etc., I have other reasons to oppose this Bill. Government always indulge in tall talk of deficit and retrenchment and so forth, but do they really mean it? Government want to transfer these detenus to distant places, and that will entail enormous cost, because they will have to pay railway fares to these detenus and they are to be escorted by high officers who will have to be paid their daily allowances of various kinds. This will certainly entail heavy expenditure. If the Government have not yet realised their financial condition, they will never realise it at all. The Province of Bengal takes pride in accommodating some 15,000 prisoners, or near about that figure. If Bengal can accommodate 15,000 souls, I think she has room enough to accommodate a few more. Therefore, instead of passing this Bill, I would suggest to Government to construct new jails if the existing jails are insufficient, and that will open a new field of work to the large number of unemployed people and relieve them in these days of economic depression. These are the grounds on which I should like to oppose the Bill. Last, but not least, comes clause 4 which strikes at the very root of the fundamental rights of citizenship. On these grounds, I oppose this Bill.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I beg to submit a few observations in connection with clause 4 of the Bill, for I have no doubt that the amendment of this clause was the only condition upon which the Bill was sent to the Select Committee, which condition has not been fulfilled, and as a result thereof, I respectfully beg to submit, my Honourable friend Sir Abdur Rahim is bound to have the Bill thrown out. I find that my Honourable friend Sir Abdur Rahim in his speech said that he hoped that the Select Committee would take particular care to ensure the convenience and other conditions upon which these prisoners will be transferred from one province to another. So far as the Select Committee is concerned, they have not added a single comma nor have they even dotted the i's or crossed the t's.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Who was the Chairman of the Select Committee?

Raja Bahadur G. Krishnamachariar: I really do not know. My Honourable friend Pandit Sen said that the Select Committee in this House seemed to be a fixture and it was always the same. Men may come and men may go, but the Select Committee here goes on for ever, and I therefore troubled myself very little as to who the Chairman was, or as to who anybody else was.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I am quite willing to furnish my Honourable friend with the information. The Chairman of the Select Committee was the Leader of my party, who was muzzled in the Chair.

Sir Cowasji Jehangir: Who muzzled him?

Mr. C. S. Ranga Iyer: He muzzled himself.

Raja Bahadur G. Krishnamachariar: The Chairman of the Committee unfortunately got muzzled. He was the Chairman but he did nothing. Coming to the point, when my Honourable friend Mr. Raju was fortunate enough to catch the eye of the Honourable the President, I thought he was going to speak a bit longer on what I considered to be the most important point in his note of dissent. He says in his minute of dissent:

"The majority of this Committee are of opinion that I cannot press for the deletion of this clause, on the ground that in referring this Bill to the Select Committee, the Assembly agreed to the principle underlying this clause and that it is not open for me to raise this question here."

Sir, if I have stood up this afternoon to submit my few observations, it is to emphasise what I have more than once submitted to this House that they have got very very extraordinary, if I may submit with respect, queer ideas as to the functions of the Select Committee. Whenever you raise questions like this on the second reading, they always say, "Go to the Select Committee" and when you go to the Select Committee, you forget all about it, or even if some members of the Select Committee raise the point, immediately they are told that the principle has been accepted. Then what is it that you have got to do in the Select Committee? So far as I have been able to read the proceedings of the second reading of this Bill, this question was not raised except by you, Sir, and you simply referred to it as a matter of protest. There was no discussion, but on the contrary the Honourable the President, in bringing Mr. Das to order when he was discussing this subject, distinctly ruled that the scope of the discussion at the time of the second reading of the Bill was this:

"May I ask the Honourable Member what relevancy all this has got? The issue before the House is simply this that the Criminal Law Amendment Act should be supplemented by authorising Government to transfer to other provinces detenus who are now restricted to Bengal. On that issue the Honourable Member will be perfectly relevant in making as long speech as he likes. But this is not the occasion, etc. . . ."

Mr. Das was reading from General Crozier's book and all that sort of thing, and so the Honourable the President, in ruling him out of order or perhaps in bringing him back to his bearings, stated that the only issue was whether these prisoners should be transferred from Bengal to any other

place. That is the point. Therefore, Sir, the question of clause 4 was not debated. The matter was referred to Select Committee, everybody forgetting its existence except you. What happened in the Select Committee? I now understand that as Chairman you were not able to say anything or do anything, with the result that the majority held that you could not debate upon that and you could not move that it should be deleted. And now it comes here again and what is the result? Some Honourable Members of this House object to the deprivation of the fundamental right embodied in the *habeas corpus* section. They were not told anything; they were sent to the Select Committee. The Select Committee would not listen to their objection and it comes back here. I say, Sir, that is an illegality which completely vitiates the proceedings of the Select Committee and the report that you now have before you, the Report that you are now asked to consider, is absolutely void and of no legal effect whatsoever. I therefore submit that upon that Report of the Select Committee it will not be in order for this House to take the Bill into consideration. That is my first and most important objection.

My next objection is,—and I say it in all humility but at the same time with all the force that I can command—that this Legislature is not competent to take away the right of *habeas corpus* from any subject of the Crown by its own act. Now, Sir, the Legislative Assembly is not a sovereign Legislature. It only exercises delegated powers, and one of the powers that it cannot exercise is to legislate upon matters which will take away the allegiance of any subject to the Crown. Now, Sir one of the most important rights secured to a subject of the Crown in the Magna Charta is this right of *habeas corpus*. A subordinate Legislature, a Legislature with only delegated authority, cannot deprive the subject of that right, while it yet professes to do things legally and carefully. Consequently, Sir, I respectfully submit that the existence of this provision in clause 4 of the Bill is *ultra vires* of this Legislature, and therefore I submit that upon that ground also this House will not allow this Bill to proceed further except upon the deletion of this clause. And what is the trouble about section 491? As my friend Mr. Raju has read from the section, it is a very innocent section. Where an act of the executive is being tested not by one of the members of the executive but by some independent authority, why do you fight shy of that? Sir, the Advocate General of Madras,—whom I congratulate upon having attained his Knighthood and that for a very good reason too,—said that if your statute had been applied then there is no illegality, but if your statute has not been applied then there is an illegality. Sir, I presume he is perfectly right, but not being accustomed to these high-flown passages from the great law officers of the Crown, I am not able to understand what that conundrum is. If it is not legal, it is not legal, and if it is legal, it is legal. I daresay there is no difficulty about it. Under the circumstances and in view of the fact that no ground has been mentioned by the learned Mover of this Bill why do you want that this provision of the *habeas corpus* should be removed the jurisdiction of the High Court be taken away? That is a matter upon which, so far as I know, there has been absolutely no declaration whatsoever. You, Sir, at the time of the second reading of the Bill, as I said, repeated your protest, a hundred times repeated in this House, against the deprivation of the right of *habeas corpus*. The Honourable the Home Member congratulated you, took to your speech very kindly, complimented you and threw his compliments all round and said that his task was very much lightened.

An Honourable Member: But two negatives make one positive.

Sardar Sant Singh: Two negatives have not made a positive so far; you can go on multiplying zero any number of times, but it will always remain a zero. You can never suppress any feeling, any movement by doing other acts of injustice to suppress them. The best course for you is to lodge a complaint and give the man a chance of being heard. If he is really the guilty man, the culprit given to acts of violence or committing illegalities, there is the police to look after him. But if you cannot catch him in commiting any overt act, of course you have got your C. I. D. to look after him and watch his movements till he commits any such acts or till you get evidence of the nature to get him convicted in a court of law. You must make out a case against him and you will find that there will be more confidence in your administration; there will be less discontent against you and more confidence in your administration.

What is the meaning of rule of law if it does not mean that every man is presumed to be innocent until and unless he is proved to be guilty? What is the meaning of that noble phrase let 99 guilty persons escape but not one innocent person be punished? Are these idle phrases? Have not these phrases got the experience of ages behind them? Was it not the result of experience of wise men? History is full of such tragedies as is being enacted in India to-day. The irresponsible despot, unchecked by popular control, persistently refuses to recognise the existence of a discontent, declines to remove the causes but tries to suppress the individuals who step forward to give expression to particular grievances. He seems to succeed for the time being, and is thereby further intoxicated. This process continues till resentment is intensified and swallows up the despot and his Empire. You want this enactment as a bulwark against chaos, anarchy and disorder. If that is so, then I will say that this measure will not provide that bulwark. In spite of the Ordinances that have been issued and worked most unsympathetically in the provinces the movement has not been suppressed. Have there been no terrorist crimes after the issue of these Ordinances? The Honourable the Home Member in his speech while referring this Bill to the Select Committee the other day, said that even until that very day there were crimes committed by the terrorists. If the Ordinances have failed to reach them, is it not high time to change your attitude towards them? Is it not high time that you looked beneath the surface of things and devised measures which are reasonable and which will appeal to the moderate element in this House who have come to co-operate with you? If you have no other alternatives to your Ordinances, then I say, Sir, that there is complete bankruptcy of statesmanship in the opposite Benches.

Now, Sir, let us examine what will be the effect of this measure, for one minute, if it is passed by this House. A detenu is arrested; he is kept in jail. It causes heart-burning amongst his relatives. There was resentment already in the mind of one man in the first instance before his arrest. The bitterness is added to by his arrest; you spread that bitterness to his relatives. That detenu is removed from his usual place of residence and sent away to a far off land to unfamiliar surroundings, where he is made to take food which he had never taken in his life; where he is thrown into a society whose ways he does not know, where he cannot understand the temperament of the people and where he is quite ignorant of the language of the

place. After some time, moved by considerations of humanity, you permit him interviews with his relations once in three or six months. Those relations come together and try to meet him in jail. This causes another revival of the same bitterness not only amongst those relatives who are going to meet him, but also amongst the relatives of those relations who actually meet him, who have had to travel long distances at their own expense in these days of no income and great expense. Thus the bitterness goes on multiplying. It is just like a whirlpool in water into which a stone has been thrown. The circular eddies go on extending till they reach the bank. The same will be the resulting effect in the case of this measure also. The bitterness will spread and spread from house to house and from family to family. It will spread even to those who are now sympathetically inclined to this administration. Therefore, I submit, that before you persist in passing this measure, you should realise the consequences that are likely to follow. May I enquire what is your ultimate objective? You are of course not going to detain a man for his life. Are you providing any measures or doing anything to disabuse the mind of the detenu of the terrorist activities? There is no such provision either in this Bill or in the Bengal Act. What do you propose to do to improve the man while he is in custody? If you have no proposals to offer in this respect, then I may tell you that it will be far better to shoot that man straightaway than to allow bitterness to spread. (Applause from the Nationalist Benches.) What is the good of enforcing a lingering life of imprisonment in that manner? Such a life is not worth living. We expected that the Select Committee would come forward with some constructive proposals as to how the detenus are to utilise their time while under detention, how they could be made better citizens when they come out of detention. There is no suggestion of any kind. We cannot support a barren measure of this character where a man will have no trial, no hearing and no appeal. With these few remarks, Sir, I oppose this Bill.

Sir Cowasji Jehangir: Mr. President, I did not address this Honourable House when the Honourable the Home Member moved the first reading of this Bill, and although the measure was criticised by certain Honourable Members, I believe, from all sides of the House, it was decided that it should go to Select Committee. Now, Sir, if I may respectfully point out, there appears to me to be some confusion of thought. When we accepted the principle of this Bill with some criticism, we did so because we do not by this Bill make any new enactment giving any further powers to any Local Government to arrest and detain without trial. The powers that the Bengal Government have got to arrest and detain without trial are powers taken under a local Act, with which we in this House have nothing to do. Those who passed that Act are responsible for it; those who work it are further responsible to their people. A clear cut issue was placed before us. We were asked to help the Bengal Government under certain peculiar circumstances. They desired that some of their detenus might be sent to other parts of India, and in order to do that, the Government of India had to come before this House. Therefore the only principle to which we agreed was that, with the sanction of the Government of India, the Bengal Government should be allowed to send certain of its detenus to other parts of India. Beyond that we accepted no other principle in this House. Therefore, in my humble opinion all discussion as to the advisability or non-advisability of arresting people and keeping them for years in prison without trial does not arise

[Raja Bahadur G. Krishnamachariar.]

But, was it lightened? You raised an important issue; there was no reply to that on the part of the Honourable Member and, as I said, it went to the Select Committee and not only you but everybody else who wanted to raise this question was muzzled. I would therefore very respectfully submit that upon these grounds this Bill should not be taken into consideration but should be rejected straightaway without further consideration.

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

Sardar Sant Singh (West Punjab: Sikh): Sir, there are progressive laws, there are oppressive laws and there are suppressive laws. As regards progressive laws, since the inauguration of this House we have had no occasion and no instance. As regards oppressive laws, on account of the kind consideration of His Excellency the Governor General we are spared the pains of going into them and they are passed over our heads. As regards suppressive laws, we have got this instance in point. Now, when I read the provisions of this Bill, I was reminded of a similar twin brother to this law and that was probably the last measure of the old Council, I mean the Rowlatt Act. The provisions of that law are well-known to all as they are now historical and they were taken exception to by all the reasonable men of the time. I am tempted to tell you that a meeting held in Lyallpur to record our protest against that measure was presided over by my humble self. A speaker at the meeting aptly described that Bill in the phrase. The Bill aims at "no vakil, no *daleel*, and no appeal". This phrase has since become historical, but it will be of interest to Honourable gentlemen to know that this little phrase cost the President and the speaker four years and Rs. 1,000 fine. After a bit of inconvenience in jail for six months, the appeal was accepted and we came out all right. There was no apology in those days. But that is a digression.

Later on, what was the fate of that Council which passed the Bill? It went out of existence and a new House under the new reforms came into being. Now, what I thought when I read the provisions of this Bill, was that this was a very good measure with which to sing the death-knell of this House; and to those optimistic friends of mine like Sir Hari Singh Gour, before whom I bow as being my leader, I will say that he has done well in Select Committee in recommending it to be passed without any changes; so that the death-knell of this House will be sung earlier and the next Assembly may come into existence sooner than we imagine. This House is not liked by anybody. It is not liked by the Government because they do not trust it. It is not liked by the Members of the House because they tabled Resolutions that this House should be suspended. And it is not liked by the outside public because they say that we are too docile to oppose any measure of repression. So the sooner it comes to an end the better it will be for all concerned.

Coming now to the provisions of the Bill, it is said that it is a single clause measure. It is so. But this single clause is just like poison gas: it will, if let out of the pipe, kill combatants, non-combatants and the civilian population all together. If I stand up to oppose that clause I will be at once dubbed as a man lacking a sense of responsibility and not fit for being granted further powers to govern my own country. If I stand up to support it, then my friend, Mr. S. C. Mitra, will come down upon me

and say that this is the result of your legal training that you give your consent to such a Bill. I am therefore in a difficulty. I may assure Honourable Members on the Treasury Benches that I do not like the terrorist movement. The terrorist movement does not seem to be liked probably by those very people who practise it, because in the various statements of the approvers in the various conspiracy cases they have openly tried to dissociate themselves from the principles of killing or taking innocent lives. But all the same we find this phenomenon that they have taken to killing innocent people. Why is this? That is a point which requires serious consideration.

My Honourable friend the Home Member says that the terrorist movement is becoming very dangerous in Bengal and requires to be suppressed. So far I am willing to go with him; but our ways differ when we come to prescribing the remedy for this disease. The remedy he suggests makes the executive the supreme authority in the country: I want the law to be the supreme authority. This is our difference. He wants all powers to be in his hands, while I want to place all power in the hands of my friend, the Honourable Sir B. L. Mitter, the Law Member. That is our difference. If we can only agree to the transfer of power from the executive to the law courts and to the High Courts, I am with him. But if he wants that the executive should be armed with all the weapons which unfortunately I must confess have not been properly used in the past in this land, I take strong exception to arming the executive with further powers. My object is very simple. The police who collect the evidence and the Magistrates who try the cases are both Government servants. So far in India the judiciary has not been separated from the executive. The police is the executive and the Magistrate is partly executive. By proposing such a measure the Government clearly indicates that they do not place confidence in their own executive officers, that they cannot trust the Magistracy of the land; they cannot place full faith in the judgment of the Magistrates of their own creation. That is a sort of charge against the Magistracy; but I can assure them that they are mistaken. I do not know about other provinces; I have never had the honour of practising in any other province or in many of the courts of my own province even: but I can assert without any fear of contradiction from any serious minded lawyer that within my experience of now fully twenty-four years, one year less than a quarter of a century, in the criminal courts of my district, the Magistrates are very docile to the police: they will act as the police asks them to do. If the Treasury Benches find any difficulty in placing faith in Bengal Magistrates or in U. P. Magistrates, I will recommend Magistrates from my own province. You might send them any suspects with the flimsiest evidence against them, and you will find no difficulty in securing corrections at least in the trial courts.

Mr. S. C. Mitra: That means two years: now they get five years.

Sardar Sant Singh: I do not mind the period: I say that to detain a person without trial for a single day is a sin against society, and treason against citizenship. If you really mean to develop a sense of responsibility in the masses of the people, you will have to trust them and you will have to give them a fair trial and a fair hearing. You cannot suppress one vice by committing another vice. You cannot suppress one evil by committing another evil: sin can be crushed by virtue, not by another sin; two wrongs have not gone so far to make one right . . . . .

[Sir Cowasji Jehangir.]

on this Bill. We discussed that principle at some length when it was brought prominently before this House by a motion moved by my Honourable friend Sir Hari Singh Gour. That discussion is finished and gone. The Government have heard what we had to say. The Government, I trust, have not only heard but digested the remarks of many of the Honourable Members on this side of the House. Therefore, I personally do not see any necessity of again going on with a discussion which is irrelevant to this Bill.

Now, Sir, certain criticisms were made at the first reading of this Bill which were most relevant. It was pointed out to the Government that, if this House gave the power to Government of sanctioning the removal of detenus from Bengal to other parts of India, care must be taken to see that those detenus lived in other parts of India under more or less the same conditions as they would have lived under in their own province. It was also pointed out to Government that interviews should not be made impossible; in short, that the life of a detenu should be no harder or no worse than it would have been in his own province. That was the main principle enunciated by several Honourable Members on this side of the House, and it was the most relevant principle which could be enunciated with regard to this Bill.

Now, Sir, we have the report of the Select Committee. It is signed by Sir Hari Singh Gour, Sir James Crerar, Diwan Bahadur Harbilas Sarda, Mr. R. S. Sarma, Mr. S. R. Pandit, Mr. M. A. Azim, and Mr. Arthur Moore, without minutes of dissent. They accept the whole Bill as originally presented to the House. There are two other signatures, Mr. B. Sitaramaraju, and Mr. Abdul Matin Chaudhury, and their minutes of dissent have a special interest for us of the Independent Party as they happen to be both members of our Party. (*Mr. B. Das*: "For the whole House.") They happen to be members of our Party, and they are of course Members of the House. They happen to be members of our Party, and therefore, their criticisms to me, have a peculiar interest. I have no criticisms to make against my Honourable friend Sir Hari Singh Gour. He accepted the principle of the Bill. He may have disagreed with the criticisms that have been expressed on the first reading of the Bill, and he signed the report. I have no complaints against that, nor have I any complaints to make against any of the other Honourable Members who have signed the report without dissenting minutes. They are welcome to their views, they are within their rights; but it does seem rather strange that, not having penned a single minute of dissent, Member after Member of this House should rise and deliberately oppose the whole of the Bill for reasons which are more or less irrelevant, with the exception of my Honourable friend Mr. Raju, whose criticisms were I consider of such value that they ought to appeal to Honourable Members opposite.

I am not a lawyer, but I fail to understand why clause 4 was included in the Bill, and I await enlightenment from the Honourable the Law Member on this point. The Bengal Criminal Law Amendment Act gives certain powers to the Government of Bengal. No Court can deprive the Government of Bengal of those powers; they are statutory powers; they are given to the Government of Bengal under a statute. Why, then, deprive anybody of contesting or being able to contest the point in a

court of law if he considers that the Government of Bengal have exceeded their powers? So far as I can make out—I am not a lawyer—this clause prevents anybody from appealing against the Government of Bengal for having taken action illegally . . . . .

The Honourable Sir Brojendra Mitter (Law Member): In that case section 491 will apply.

Sir Cowasji Jehangir: Then, why insert this clause in this Bill?

The Honourable Sir Brojendra Mitter: There are good reasons.

Sir Cowasji Jehangir: I should like to hear those good reasons. If there are good reasons for inserting the clause in the Bill, which on the face of it does not seem necessary, I have got plenty of patience to wait and hear my Honourable friend. But, in the meantime, an amendment has already been tabled which will clear that point completely. If it is so important in the opinion of the Government that this clause should be retained, then I trust that they will see no objection, at any rate, to accepting the amendment that has been tabled by my Honourable friend Mr. Raju . . . .

Mr. K. Ahmed: Will you please read the Statement of Objects and Reasons?

Sir Cowasji Jehangir: Of what? Of the Bill?

Mr. K. Ahmed: Yes, of the original Bill.

Sir Cowasji Jehangir: Do you expect that I have not read it? My Honourable friend may be accustomed to speak on a Bill without reading the Objects and Reasons, but I am not accustomed to do that. I always read the Objects and Reasons of a Bill before I stand up to speak on it.

Mr. K. Ahmed: Then please read it again when you go home this evening.

Sir Cowasji Jehangir: The next point I would like to deal with is this question of interviews and food. It may not be possible to provide for these matters in the Bill itself; it may have to be done by rules; but I do expect the Government to give an assurance to the House that these detenus will live in the province to which they are sent under, as far as possible, the same conditions under which they live or would have lived in Bengal. I desire to have that assurance from Government, and, what is more, I desire the Government to assure us that they will see that those assurances are carried out by the Provincial Governments. Sir, I have great sympathy with my Honourable friend Mr. Mitra and my Honourable friend from the Punjab. They speak with experience which none of us possess. (*An Honourable Member*: "Question".) Who says "Question"? Have you been a detenu?

Mr. President: The Honourable Member should address the Chair.

Sir Cowasji Jehangir: Then the Honourable Member cannot speak with experience. These two Honourable Members have been detenus and we must listen to them with sympathy and realise that, after all, we

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who have not had that experience can on certain occasions speak lightheartedly. But let us see, at any rate, if we are to pass this Bill in order to facilitate the administration of the Government of Bengal, that these detenus are no worse off than they are at present, and if Government will give that assurance . . . . .

Mr. S. C. Mitra: Mere assurance will not do. You must see that the assurance is carried out.

Sir Cowasji Jehangir: When Government give that assurance, I generally take it that it will be carried out.

Mr. S. C. Mitra: Sir James Crerar will be in his home safe.

Sir Cowasji Jehangir: There will be his successor whom we can cross-examine. Every word that Sir James Crerar says will be not only his bond but the bond of the Government.

Mr. S. C. Mitra: We are not so sanguine, from our experience in the past.

Sir Cowasji Jehangir: I trust that the assurance will be so phrased that there will be no room for doubt in the mind of any Honourable Member of this House.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 12th March, 1932.

SECRETARIAT MAY 1932

LEGISLATIVE ASSEMBLY

Saturday, 12th March, 1932.

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

MESSAGE FROM HIS EXCELLENCY THE VICEROY AND GOVERNOR GENERAL.

Mr. President: Order, order. I have received an Order from His Excellency the Governor General regarding the allotment of an additional day for the discussion of the Demands for Grants, and I shall read it out to Honourable Members.

(The Order was received by the Assembly standing.)

"In pursuance of the provisions of sub-rule 1 of rule 47 of the Indian Legislative Rules, I, Freeman Freeman-Thomas, Earl of Willingdon, hereby allot Saturday, the 19th March, 1932, as an additional day for the discussion of the Demands of the Governor General in Council for grants."

(Signed) WILLINGDON,
Viceroy and Governor General."

NEW DELHI;
The 9th March, 1932.

MOTION FOR ADJOURNMENT.

Lathi CHARGE BY THE POLICE ON A MEETING IN DELHI.

Mr. President: Order, order. I have received a notice from Maulvi Sayyid Murtuza Saheb Bahadur that he proposes to ask for leave to make a motion for the adjournment of the business of the House to-day for the purpose of discussing a definite matter of urgent public importance, as follows:

"That the business of the Assembly be adjourned for discussing the severe *lathi* charge by the Police yesterday on a peaceful meeting convened by the Jamiat-ul-Ulema-i-Hind and the Majlis Ahrar, Delhi."

I have to inquire whether any Honourable Member has any objection to this motion.

The Honourable Sir James Crerar (Home Member): Sir, I must take objection to this motion. I am not fully apprised of the facts, but I understand that the incident to which the Honourable Member refers was in connection with the arrest of a gentleman connected with the organization to which he refers and that judicial proceedings in regard to that incident are imminent. It appears therefore almost inevitable that the circumstances connected with the arrest in question will shortly be coming up before a court of law that the matter will be *sub judice*, and that therefore this motion ought not to be allowed.

Maulvi Sayyid Murtuza Saheb Bahadur (South Madras: Muhammadan): Sir, having heard the Honourable the Home Member, I have to invite the attention of the House to the fact that the *lathi* charge on the peaceful meeting which was convened by two bodies which have not yet been declared unlawful associations is proposed to be discussed to-day, apart from the arrest of Mufti Kifayatullah. I am not at all going to deal with the question of his arrest. I shall confine myself to this one point that there was a severe *lathi* charge on a peaceful meeting convened by two respectable bodies yesterday. This has resulted in many persons being wounded, and two of them being seriously wounded, and one of them is about to die. That is the state of affairs. If such an important and urgent question is not allowed to be discussed to-day but is put off till some other day, well, that would be a great pity.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair would like further enlightenment on the issue as to whether the subject-matter is *sub judice*. As far as the Chair has been able to find out from the statement so far made, judicial proceedings are intended to be taken hereafter in regard to the arrest of some people, but the action of the police in indulging in a *lathi* charge can have, so far as the Chair is at present inclined to think, no connection with any judicial proceedings which might be taken. (Hear, hear.) If any further observations as regards the facts are desired to be placed before the Chair, the Chair will be glad to consider them.

The Honourable Sir James Crerar: It is impossible, Sir, for me to say definitely what precise shape the judicial proceedings are likely to take, but what I do suggest is this that as the incident to which my Honourable friend refers is connected with this arrest, it is extremely likely that that incident will be a matter coming before a court of law and that therefore on that ground we ought not to discuss it.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Having heard the Home Member, the Chair has come to the conclusion that there is no connection between the two. (Hear, hear.) The Chair will therefore put the objection to the House by saying that, as objection has been taken, I would request those Honourable Members who are in favour of leave being granted to rise in their places.

As less than 25 Members have risen, I have to inform the Honourable Member, Sayyid Murtuza Saheb Bahadur, that he has not the leave of the Assembly to move the motion. (Applause from the Official Benches.)

ELECTION OF A MEMBER TO THE STANDING ADVISORY COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Mr. President: Honourable Members will now proceed to elect a non-official Member to the Standing Advisory Committee for the Department of Education, Health and Lands. There are two candidates whose names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

(The ballot was then taken.)

THE INDIAN MERCHANT SHIPPING (AMENDMENT) BILL.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): Sir, I move for leave to introduce a Bill further to amend the Indian Merchant Shipping Act, 1923, for certain purposes. Sir, the objects of this Bill are so clearly set forth in the Statement of Objects and Reasons and in the detailed notes on the clauses that it is unnecessary for me to do more than to explain to the House that it is the first of a series of three measures designed to give legislative effect to such of the recommendations of the Haj Inquiry Committee as require legislation. The other two measures will deal with the control of *muallims* and the constitution of Port Haj Committees. The fact that it has taken so long to give legislative effect to the valuable recommendations of the Committee owing to the necessity for consulting Local Governments and Administrations, the Chambers of Commerce and the numerous other interests affected, does not, I need hardly assure the House, mean that no action has been taken on the other parts of the Report. The examination of all the recommendations made by the Committee has been completed. Government have gone into them all most carefully in consultation with the Standing Haj Committee of this House, and I need hardly say that where Government have considered action should be taken that is in regard to the great majority of them, action has already been taken.

Sir, I move.

The motion was adopted.

Sir Frank Noyce: Sir, I introduce the Bill.

THE BENGAL CRIMINAL LAW AMENDMENT (SUPPLEMENTARY) BILL—*contd.*

Mr. President: The House will now proceed with the further consideration of the Bill to supplement the Bengal Criminal Law Amendment Act.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I have listened to the criticisms of my Honourable friends yesterday, and lest those criticisms be multiplied, I think it well that I should explain to the Honourable Members my own position in regard to

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And the reason is obvious, namely, that if those rules remain as rules framed under the Act, we can always use our pressure upon the Executive Government to change them from time to time, and from day to day, which we shall not be able to do if they are embodied as a part of the enactment. Therefore, I say that if the rules are good and sufficient, the very best of reasons exists for leaving them out of the Act; but if they are insufficient, that is another matter, and we should press upon the Government that the rules should be implemented so that the conditions for which Members have spoken are ensured in the detention camp proposed to be opened.

Sir, on the last occasion when this Bill was under debate, we only heard the name of that desert island, Ajmer, but nobody said that these detenus were to be taken away from Ajmer and that they were to be incarcerated in some isolated place or fort called Deoli which had been repaired for this purpose. Well, Sir, if it is a fact, as has been stated by my friend Mr. S. C. Mitra on the authority of my esteemed friend Diwan Bahadur Sarda, that the intention of the Government is to intern these people not to Ajmer but to some outlying place in the Ajmer province, the situation would be far worse than what we had expected when the Bill was consigned to the Select Committee. On the last occasion I stated, Sir, that whether these detenus were incarcerated in Ajmer or locked up in the Government House at Calcutta, I could not reconcile myself to the fact that their detention was not aggravated by their deportation, and that I objected to their being bottled up in one place, it does not matter where. I will submit that that argument becomes doubly strong when you take them away to a distant place far removed from human habitation and there keep them in durance vile for an indefinite period and without recourse to the ordinary remedy open to an ordinary convict or to an ordinary person arrested for the most heinous crime under the statute law. That, I submit, is a consideration which this House cannot ignore. We have not heard from the Honourable the Home Member what is the exact place of detention which has been settled.

The Honourable Sir James Crerar (Home Member): Sir, I made that perfectly clear in my speech in an earlier part of the debate.

Sir Hari Singh Gour: May I ask the Honourable the Home Member whether the perfectly plain statement he made refers to the city of Ajmer or to any place in the Ajmer province?

The Honourable Sir James Crerar: I will read the passage to the Honourable Member:

"We have also informed the Bengal Government that if and when this Bill is enacted, what we have in mind as an immediate measure is the transfer of a certain number of those who fall within the category I have mentioned to a locality within the province of Ajmer-Merwara, a place which has an extremely salubrious climate, where there are also excellent buildings already in existence," etc.

Sir Hari Singh Gour: Beautifully vague and beautifully expressed,—"a locality within the province of Ajmer-Merwara"! But may I ask how far away is it from the sandy tract, how far away from the nearest human habitation and how far away from the railway station? Well, Sir, when

Mr. S. C. Mitra disclosed the name of the place, I am afraid it is information upon which we can safely rely unless it is contradicted by the Honourable the Home Member on behalf of Government. For the time being we will, therefore, assume that the Bengal detenus are intended to be cooped up in some wayside place called Deoli. Sir, I said last time, and I wish to repeat it once more, that if you take away a Bengali from the province of Bengal, you deprive him of that mental and bodily comfort which cannot be replaced. I have always held that a Bengali is made up of 99 per cent. of fish and one per cent. of Ganges water, and if you were to take him away to a place where he can get neither one nor the other . . . . .

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): But the majority of them are Muhammadans.

Sir Hari Singh Gour: They also feed on fish. If you were to take them away from the humid climate in which they are born and brought up and to which they are accustomed, you would be adding to the sentence of banishment a larger and greater sentence of mental torture and physical suffering which would be in my opinion, and in the opinion I think of my friends on this side, a far greater hardship than if you had sent them across the seas under penal servitude for life. Some of the Honourable Members, when they got reconciled to this Bill, had, at the back of their minds, a feeling that if they were to turn down the Bill at that stage, it might be that the detenus would be removed to the Andaman Islands or anywhere beyond the seas, and I think the Honourable the Home Member would probably find a favourable response from this side of the House if an assurance was forthcoming that on no occasion and in no circumstance the detenus from Bengal would be given an island home outside the mainland of India. I therefore feel that upon general considerations I would not be justified in lending to the Bill any greater support on this occasion than I did on the last; and my reason for taking that view is further fortified by a close and critical examination of the several provisions of the Bill to which I should like now to advert briefly.

Sir Cowasji Jehangir: Why did you not do it in the Select Committee?

Sir Hari Singh Gour: Honourable Members will find that this Bill is intended to supplement the Bengal Criminal Law Amendment Act of 1930. Now, the Bengal Criminal Law Amendment Act of 1930 has got a life of five years from the date of its enactment, that is to say, it will expire in 1935; but we know that a similar Bill was enacted under the power of certification in 1925. Now, if this Bill of 1930 is by an amending Act further extended to a period of another five years, have we any guarantee that by enacting this measure we shall not be depriving ourselves of the power of revision after the period for which this House is prepared to pass the supplementary Bill? This Bill merely lays down that this Act may be called the Bengal Criminal Law Amendment (Supplementary) Act, 193 . I am not a constitutional purist, but on a close examination of the provisions of the statute law, I think it might be plausibly argued that if the Bengal Criminal Law Amendment Act is merely extended by amending the operative clause, it is an extending Bill and not a new Bill; and in that case *ipso facto* the provisions of the supplementary Bill would become extended to that larger period to which the main Act might be extended. But whether it is so or not, when we have a chance of making

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this Bill. Honourable Members are aware that when the question of reference to the Select Committee was before this House, I delivered a speech from which the Honourable Members could have drawn no other conclusion but one, that I was not in favour of the principle of the Bill. But even after the delivery of that speech and the lead which the Honourable Members wanted me to give, I found that a great many of my colleagues, including some of those hailing from the province of Bengal which is directly affected by the Bill, did not challenge that motion by a division. The House having, therefore, without a division acceded to the motion for reference to the Select Committee, the Select Committee felt bound by the acceptance of the principle of that Bill.

Honourable Members will remember that when the discussion was going on in this House, there was a reshuffling of the membership of the Select Committee. My name was added to the Select Committee. The reason why my name was added is well known to my Honourable friends who added that name. They knew full well that when I became a Member of the Select Committee, I would have to take the Chair. After the emergence of the Bill from the Select Committee Honourable Members have treated me to a long sustained diatribe against the iniquity of the Select Committee as if I were both the Bill as well as the Select Committee. I recognise the compliment which Honourable Members have paid me in that regard, and I shall, therefore, briefly explain to Honourable Members my participation in that dual character. In my view of constitutional propriety, which I know some Members including some of my colleagues sitting in front of me may challenge, the position of the Chairman of a Committee is analogous, if not identical, with the position which you, Sir, occupy in this House. The Chairman of the Select Committee is like the umpire for the time being. My Honourable friends may say that he is not the umpire, at any rate, he is in the position of the keeper of the ring to see that there is fair-play on both sides. If that were all, I would perhaps be relying upon an analogy, and I will, therefore, ask Honourable Members to refresh their memories by what is laid down as the invariable practice followed in the Mother of Parliaments. In May's Parliamentary Practice, at page 449, we have the following passage:

"The main difference between the proceedings of a committee and those of the house is that in the former a member is entitled to speak more than once, in order that the details of a question or bill may have the most minute examination;"

"Order in debate in a committee is enforced by the chairman, who is responsible for the conduct of business therein; and from his decision no appeal should be made to the Speaker, nor should an appeal from the decision of the deputy chairman or a temporary chairman be made to the chairman of ways and means on his resuming chair. . . . . The rules observed by the house regarding order in debate are followed in committee."

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Is not the Chairman of a Committee to be consistent both inside and outside the Committee?

Sir Hari Singh Gour: My Honourable friend, colleague and co-Chairman asks me the question: is not the Chairman of the Committee to be consistent with his expressed opinions as a Member of the House? My answer is that when a Member occupies the Chair, he ceases to be a partizan and he becomes the upholder of the rights and privileges of the House and has to carry on the rules and regulations by which he is bound.

An Honourable Member: Question.

Sir Hari Singh Gour: At any rate, if that is not the exalted notion of my Honourable friends who have occasionally to fill that Chair, I beg to differ from them.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Did the Honourable Member take up the same position when he was the Chairman of the Air Force Bill?

Sir Hari Singh Gour: I did. If I had not done so, I would have put in a very strong minute of dissent. However, the position as I take it is this: whatever may have been the shortcomings of the members of the Select Committee, whatever may have been the view expressed by the Members singly and collectively, there cannot be any shadow of doubt as to what my own views were and they remain the same even now. Feeling as I do, free from the trammels of the obligation to which I have referred, I re-echo the sentiments of all my Honourable friends who have said that they do not like the look of this Bill. I do not for one moment suggest that those Honourable Members who are opposed to this Bill are in any degree in sympathy with the terrorist crimes in Bengal and elsewhere. But sitting here as we do, as Members of the Central Legislature, our duty is to take an impartial survey of the situation as we find it in any part of the country, Bengal or elsewhere, and to see whether the powers we give by the Act of our creation are powers which are necessary for the ends of justice, and such as are not likely to be abused by those who would be charged with the duty of executing them. That being the case, I said in the opening speech which I delivered, that while I did not like the Bill at all, I had at any rate one small consolation, and it was that the Bill was to have a short life, and that the new constitution, which would bring into existence a responsible Central Government, would have the chance of re-doing our work when it assumed the reins of office. I then said that, though we did not like the principle of the Bill, we were quite prepared to see that if the Government were able to ameliorate the conditions of the people banished from Bengal, we should be prepared to give the Bill a short lease of life. The Honourable the Home Member is in possession of rules by which these detenus are governed. Honourable Members on this side of the House should take the opportunity of reading those rules and examine them for themselves as to whether they are or are not satisfactory so far as the detenus are concerned.

It may be that these rules are inadequate; it may be also that these rules do not provide for that degree of amenity and comfort to which the detenus should be entitled when they are taken away from their native homes. In that case two things should be borne in mind. One is suggested by the Honourable Members on the Opposition Benches, namely, that if those rules are good and sufficient, why should they not be embodied in the Act? And the second thing is that if they are not good and sufficient then those rules do not in any way mitigate the hardships complained of. Now if those rules are good and sufficient, I would be the last person here to ask this House to embody them as a part of the Act.

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should weigh with this House in seeing whether it should or it should not let this Bill be taken into consideration. If it finds that these are defects which affect the material provisions of the Bill, this House will have to make up its mind; if, on the other hand, this House finds that these are immaterial defects which do not in any material degree influence its judgment, it will have to say so. Sir, I said on the last occasion, and I say once more, that whatever may have been the necessity for this Bill in 1925, when the question of the future constitution of this country was not on the horizon, now that that constitution is fairly in sight, the Government of India might well pause and just carry on before introducing any cataclysmic changes in the administration of the country affecting the life and liberty of the people of this country. Only the day before yesterday I read in one of the Overseas telegrams that that arch gunman, the head of a revolutionary movement, was now presiding over the destinies of an Island Kingdom and went to power upon a republican ticket. How many De Valeras may not be under detention, and who can say that in the fullness of time one of these detenus may not occupy the seats vacated by the Honourable occupants of the Treasury Benches? Let us not, therefore, do anything about which posterity may say that this Assembly, the last of its kind, has placed upon the Statute-book a measure which has not only curtailed the liberty of a man but has forfeited the sympathy of mankind.

The Honourable Sir Brojendra Mitter (Law Member): Sir, most of the speeches that we listened to yesterday might well have been delivered in the Bengal Legislative Council when the Criminal Law Amendment Bill was under consideration. Three-fourths of the debate yesterday were devoted to the principle of detention without trial. It is an abhorrent principle to every lawyer, to every administrator, but the Bengal Legislative Council, having regard to the circumstances in Bengal, thought it necessary to resort to that principle for a temporary period. We are not here to revise that Bill; that is not the purpose of this Bill. Therefore, all that criticism is beside the point as my friend Sir Cowasji Jehangir very pertinently pointed out yesterday . . . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): This is the second Honourable Member who raises a question that the discussion yesterday was irrelevant. It was open both to Sir Cowasji Jehangir and to the Honourable the Law Member to rise to a point of order as to whether the speeches were relevant or irrelevant and the Chair would have given reasons why it holds that the whole discussion was perfectly relevant to the Bill that is now under consideration.

The Honourable Sir Brojendra Mitter: Sir, I had no intention whatever of making any reflection on the silence of the Chair in giving a ruling. When relevant matter is mixed up with irrelevant matter, it is very difficult to take a point of order. When three-fourths of irrelevant matter (Laughter from the Nationalist Benches) were mixed up with one-fourth of relevant matter, at what point one should rise to a point of order is a really difficult matter.

I do not want to refer to it any more. Now, the other criticism that was made which, in my opinion, is perfectly legitimate, is about the hardship which a transfer from Bengal to another province would involve,

and that is within the principle of this Bill. Sir, the Leader of the Nationalist Party at the beginning of his address this morning said, "I am not in favour of the principle of the Bill". But I find from the 12 NOON. Report of the Select Committee that the Honourable the Leader of the Nationalist Party said this:

"We, the undersigned Members of the Select Committee, to which the Bill to supplement the Bengal Criminal Law Amendment Act, 1930, was referred, have considered the Bill and the papers noted in the margin, and have now the honour to submit this our Report, with the Bill annexed thereto.

We do not propose that any amendment should be made in the Bill and we recommend that it be passed as introduced."

That is his written opinion, and to-day we have heard his verbal opinion. I ask my Honourable friend to reconcile the two. (Laughter.)

Sir Hari Singh Gour: Have I not done so?

The Honourable Sir Brojendra Mitter: Anyhow, I do not want to make a debating point. I shall come to the substance of his criticism. It is, after all, not his conduct but the merits of the Bill which we are discussing.

Before dealing with the points made by other Honourable Members, I shall deal with Sir Hari Singh Gour's point first. He said, in enacting clause 4 of the Bill you are taking away a valuable right which is given to other people in citing a detenu as a witness. That is so. Section 491 sub-section (1) clause (c) deals with the production of a detenu as a witness in a case. If clause 4 be enacted, surely the High Court could not order a detenu to be produced as a witness at any trial; that is quite true. But that is a matter which did not escape the attention of the Government, and on behalf of the Government I can give this assurance to the House, that if the High Court at any time comes to the decision that a particular detenu is required as a witness in any trial before it, then the Government of India will not stand in the way and the requisition of the High Court will be honoured every time.

Sardar Sant Singh (West Punjab: Sikh): May I enquire from the Honourable gentleman if the High Court will not look into the provisions of this Bill when passed into an Act and refrain from calling a detenu as a witness?

The Honourable Sir Brojendra Mitter: There is nothing to prevent the High Court from saying that in a particular trial the evidence of a particular detenu is necessary but by reason of section 4 it is not in a position to direct his production. Any expression of opinion of that sort will be taken count of by the Government of India, and I can give the House a definite assurance that, if the High Court wants a detenu to be produced before it as a witness, that detenu will be produced.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Would it not be better to give a specific direction of this character to the various High Courts so that the High Courts may know exactly where they stand?

The Honourable Sir Brojendra Mitter: Sir, I have known of cases in which prisoners under the Regulations have been wanted as witnesses

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and an indication of the desire of the Court was conveyed to the Government of India, and the Government of India have always to my knowledge complied with such requisitions.

Sir Hari Singh Gour: May I just ask the Honourable the Law Member a question? Whatever may be the undertaking by the Government of India, the clause as it is enacted is too wide. He admits that.

The Honourable Sir Brojendra Mitter: I am coming to that. I am making these observations in order to meet a possible grievance that a detenu may not be forthcoming as a witness at a trial. In practice, I challenge any Member of this House to cite any particular case in which any trial has been hampered by the non-production of a witness who has been in custody under the Regulations, because the Regulations . . . . .

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): In that case, was it not possible for the Government to have excepted this particular clause of section 491 from the operation of this Bill?

The Honourable Sir Brojendra Mitter: It was never suggested, not even in the Select Committee, and if any such amendment were before the House I might have had something to say on that. I am only—since that question was raised by Sir Hari Singh Gour this morning—I am only explaining the position. The position is this, that aspect of the question is not in the interest of the detenu; it is in the interest of somebody else—somebody who is an accused in a case. In the interest of that accused, if a detenu is required, what would be the position? Hitherto, we have been discussing the interest of the detenus themselves. But this is not in the interest of the detenus; this is in the interest of a third party.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): May I ask, is it desirable that the matter should be placed at the discretion of the Government whether the High Court should be able to call a detenu as a witness or not? Should not the High Court have the power to call a detenu as a witness if it chooses to do so?

The Honourable Sir Brojendra Mitter: In dealing with the class of people like the terrorists, Government must claim to have the discretion as they have got discretion already in regard to Regulation prisoners. If my Honourable friend Sir Abdur Rahim will kindly look at sub-section (3) of section 491, he will find that we are doing nothing more than that. It says:

"Nothing in this section applies to persons detained under the Bengal State Prisoners Regulation, 1818."

and the various other Regulations and Acts which are mentioned there. In those cases it is not the High Court which has got the discretion but it is the Government of India who have got the discretion. We are not going beyond that by one single inch. We are only bringing these detenus into line with prisoners detained under the Regulations. That is all we are doing, and nothing more.

Sir Abdur Rahim: You are extending it.

The Honourable Sir Brojendra Mitter: Is that discretion, which I claim, ought to be vested in the Government—is that discretion any more serious than the discretion to detain a man indefinitely without trial? If you can swallow detention without trial, you ought to swallow this.

With regard to this witness argument, that is all I have to say, namely, that if a witness is required by the High Court, that witness will be produced,—that is the Government's undertaking. Secondly, my point is this, with regard either to the detenu himself or to the detenu as witness,—in either of these cases we are not going beyond what the Criminal Procedure Code has already enacted with regard to the Regulation prisoners.

Then, a very pertinent criticism was made by several Honourable Members yesterday, and again by Sir Hari Singh Gour to-day, why enact clause 4 at all—if in case of illegality this clause will not stand in the way of the High Court, why enact it at all? The answer to that has been given by the Advocate General of Madras, and I endorse that. What he says is this:

"I realise that there is this thing to be said in favour of the retention of clause 4, that section 491 already contains a provision to the effect that the remedy under the section is not available to persons detained under certain Regulations and the only effect of clause 4 of the Bill is to place the persons detained under the Criminal Law Amendment Act on the same footing as persons detained under the Regulations."

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): The whole paragraph may be read.

The Honourable Sir Brojendra Mitter: The rest of the paragraph is irrelevant to my present argument. I shall read the whole paragraph when I come to those arguments which are contained in it. (Laughter.) but for the purpose of my present argument,—this is not a laughing matter—this is the only relevant portion, on the question of having clause 4 at all.

The Advocate General, Madras, deals with the case when the Government act illegally. I shall illustrate the point. Under the transfer clause —clause 2 of the present Bill—the sanction of the Government of India has to be taken before a detenu can be transferred from Bengal to some other province. Assuming that a detenu is transferred without the sanction of the Government of India, then the detention in that other province would be an illegal detention. In that case, clause (4) of the Bill will not prevent the intervention of the High Court. Then, the Advocate General deals with a person who is legally in custody, that is in consonance with the law. It may be good law, bad law or indifferent law, we are not concerned with that. He is lawfully in custody and 491 would not come in. In that case the High Court's power is taken away. That is the previous portion of the Advocate General's opinion and that is the portion which my friend Mr. Raju read yesterday. What is the use of burdening the reports by reading it over again but if Honourable Members want me to read it I shall read it, but I think it is unnecessary. All that the Advocate General says is this, that if the detention be illegal, then the High Court has jurisdiction to interfere but if it be legal, never mind whether that legality is sanctioned by an obnoxious law, even so, the power of the High Court is gone. That is the previous portion. Then he goes on to say that the retention of clause 4 is still necessary in order

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to bring the detenus under the Criminal Law Amendment Act into line with and in the same position as State prisoners under the Regulations. If you say, "Why do that?", my answer is this,—if this clause were not there, then in every case of detention, the argument in the courts will be this, that section 491 specifically mentions certain Regulations and certain Acts but does not mention the Criminal Law Amendment Act, nor is it mentioned anywhere else. Therefore, 491 applies to all detentions under the Criminal Law Amendment Act. If there be no such provision then in every case the argument will be based on implied inclusion in the absence of express exclusion.

Sir Abdur Rahim: Would it be a good argument?

The Honourable Sir Brojendra Mitter: I am only suggesting that that argument will be advanced in every case. Since we are legislating why not make it clear?

Sir Cowasji Jehangir: Can you legislate for every bad argument?

The Honourable Sir Brojendra Mitter: We cannot. The skill of the advocate may skirt round an enactment of Parliament but we can legislate against such arguments as we can anticipate. We are anticipating the argument that the Regulation prisoners are outside the pale of the High Court, but the Legislature has nowhere said that the Criminal Law Amendment prisoners are outside the pale in the same way as the Regulation prisoners are; therefore the High Court can intervene.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): No newspapers are allowed to be read in the House. (An Honourable Member was found reading a newspaper in the House.)

The Honourable Sir Brojendra Mitter: Sir Abdur Rahim said that it would be a bad argument. If it be a bad argument, then why not make provision against futile applications which will mean loss of time, and loss of money without any gain whatsoever. Since we can anticipate that point, why not provide for it? My defence of clause 4 is this, that clause 4, in the first place, places a detenu in the same position as a State prisoner under the Regulations. Secondly, clause 4 is necessary in order to avoid a futile argument that Criminal Law Amendment prisoners can avail themselves of 491, whereas the State prisoners are debarred from availing themselves of 491. In order to get rid of that ambiguity, to prevent futile applications being made, we want clause 4 to make the position perfectly clear.

Sir Cowasji Jehangir: May I ask the Honourable Member for a little advice? Is there not a difference between detaining a man under an Ordinance and detaining a man under an Act of the Legislature? I can quite understand your preventing interference from the High Court if you are detaining a man under the Ordinance, but if you are detaining a man under a statute, surely you do not want to deprive that man of the right of appealing to the High Court to see that the provisions of the statute have been legally carried out?

The Honourable Sir Brojendra Mitter: There is no question of Ordinance here. The detention is under the Bengal Act, not under any Ordinance. We are placing detenus under the Bengal Criminal Law Amendment Act in the same position as prisoners under a State Regulation. That is all.

Sir Abdur Rahim: Is there not a difference? For intance, the question may arise whether the procedure laid down in this Act has been complied with. Supposing the procedure has not been complied with, I do not think the Honourable the Law Member will contend that still the High Court cannot interfere. He does not contend that.

The Honourable Sir Brojendra Mitter: All I say is this, that if the detention is illegal, the High Court can interfere. If the detention be not illegal, then the High Court cannot interfere. That point was made by Sir Hari Singh Gour this morning. There was so much noise that probably Honourable Members did not pay attention to his wise words. Sir Hari Singh Gour said this, that the language of this clause is this, "any person arrested, committed to or detained in custody, etc." It does not say a person "purported to have been arrested, committed to, or detained in custody". The word "purported" is not there. Therefore the arrest, commitment to custody or detention in custody must be under the local Act or this Act, in order to oust the jurisdiction of the High Court.

Sir Abdur Rahim: Supposing the procedure laid down by the Act has been disregarded?

The Honourable Sir Brojendra Mitter: The test is this, whether the detention is legal or it is illegal. I cannot answer hypothetical questions. If a particular specific question were put to me, I could answer that. My test is this, if the detention is legal, never mind whether it is under the local Act or under this Act, then the High Court cannot interfere.

Sir Cowasji Jehangir: Who is to decide whether it is legal or not?

The Honourable Sir Brojendra Mitter: That will be decided by the High Court when an application is made. Suppose a man is purported to be detained under Regulation III of 1818, an application can still be made to the High Court to this effect that the proper warrant was not issued. He may say this; that the arrest and detention may purport to have been under Regulation III but it is not so in fact. There was no warrant signed by Secretary to the Government of India. Supposing he said that, in his application to the High Court. The High Court will then proceed to inquire whether the detention is legal or illegal. If the High Court comes to the conclusion that there was no proper warrant in the case, then, the High Court will say that the detention is illegal. Whether we enact clause 4 or do not enact clause 4, no one can prevent Sir Hari Singh Gour going to the Calcutta High Court and making an application on behalf of anybody in custody. Then the High Court will have to say whether the detention is legal or illegal. If there was a proper warrant or if a particular section of the Act empowered the Local Government to effect the arrest or detain the person, the High Court will say, "We have no jurisdiction". Sir, I repeat it for the last time, the test is this, whether the detention is legal or illegal. In the case of illegal detention no one can prevent interference

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by the High Court. Even in the case of legal detention, no one can prevent a man going to the High Court for testing whether the detention is legal or illegal.

The next point to which I come is this. Sir Hari Singh Gour's last argument was that clause 4 is ambiguous and that it must have been copied from some Ordinance or other. (At this stage, Mr. T. N. Ramakrishna Reddi rose to his feet.) Sir, I do not give way; I have given way frequently enough.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): On a point of order, Sir. My Honourable friend says that he agrees with the opinion of the Honourable the Advocate General, Madras . . . . . .

Mr. President: Order, order. How is that a point of order?

The Honourable Sir Brojendra Mitter: Sir, my Honourable friend, Sir Hari Singh Gour's last argument was that clause 4 is ambiguous. What is the ambiguity about clause 4? It is taken not from any obsolete Ordinance, it is not taken from any imaginary source, but it is taken from sub-clause (3), section 491. It is only put in different language. That is all.

Sir Hari Singh Gour: I have said that.

The Honourable Sir Brojendra Mitter: Very well, there is no ambiguity about it. We are deliberately taking away the power of the High Court. There is no question about it. There is no concealment of that fact. The needs of Bengal are that certain persons should be detained without trial—and why without trial?—Well, the Bengal Legislature has given an answer to that. I may mention only two factors. One is that a trial is undesirable in order to protect witnesses from being assassinated. The second is this, that if these people are brought to trial, in that case the methods employed by the Government in fighting the terrorist movement will have to be disclosed in court in cross-examination, which, in the existing circumstances, is not desirable. Detention without trial is an unfortunate necessity at the present moment in Bengal. I do not want to argue that point at all, because that is a matter on which the Bengal Legislative Council has already declared. Sir, if detention without trial be an unfortunate necessity, it follows that the jurisdiction of the High Court should also be taken away, as otherwise the exercise of the jurisdiction might involve the disclosure of,—the sources of information, the methods employed to fight the terrorist movement, and so on, which disclosure is undesirable in the interests of the State. That being so, ...

Sir Cowasji Jehangir: I rise to a point of order. Is this relevant to the debate—the justification of "arrests without trial", "detentions without trial"?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Has that point of order any reference to the remarks which the Honourable the Law Member made at the commencement of his speech? The Honourable Member is quite in order.

The Honourable Sir Brojendra Mitter: Sir, what I submit is this, that it is a corollary to the policy of detention without trial that the power of the High Court under section 491 should be taken away.—That is the deliberate policy of the measure which is under consideration.

Now I come to the next point—that of hardship involved in the transfer. Sir, that is not a matter of law, it is a matter of administration. I desire to draw the attention of the House to section 11 of the Bengal Act:

"The Local Government shall by order in writing appoint such persons as it thinks fit to constitute visiting committees for the purposes of this Act and shall by rules prescribe the functions which these committees shall exercise."

Then clause 12 provides for allowances to persons under restraint and their dependants. Now, these are matters of administration, and by means of rules, as my Honourable friend, Sir Hari Singh Gour, has pointed out, you can mitigate hardship as much as is possible in the circumstances. I should have liked Honourable Members to suggest what sort of treatment they would like to be meted out to persons who are to be detained outside Bengal either with regard to their food or their association and so on and these suggestions, I have no doubt, would be carefully considered by the Government of India. I can well understand the suggestion being made, that the detenus should have such food as they are accustomed to, or, that provision should be made for Bengali cooks and things of that sort. Those are matters which can be adjusted by administrative orders; they are not matters for legislation here. My Honourable friend, Sir Hari Singh Gour, pointed out this morning, that the existing rules were quite liberal. A copy was circulated in the Select Committee; and my own impression was that those Members who approved of this Bill and who advised this House to pass this Bill without modification were satisfied that the existing rules were liberal. It may be said that those rules are meant for detention in Bengal; I am not unmindful of that fact, and it may be that these rules would require some modification when the detenus are transferred from Bengal to some other province.

Mr. T. N. Ramakrishna Reddi: Can we have a copy of those rules?

Mr. S. C. Mitra: They are confidential; they are not to be given to others.

The Honourable Sir Brojendra Mitter: My Honourable colleague, the Home Member, will deal with that when it comes to his turn to speak. Sir, this is not a legal question, in which I am primarily interested. All I am suggesting is that if practical suggestions be made to ameliorate the condition of those people who are being detained without trial, the suggestions will receive sympathetic consideration. Sir, we have to face realities. The Bengal Government have thought it necessary to detain a certain number of persons without trial. The Bengal Legislative Council have passed that law. We cannot alter that; but what we can do is, to make the condition of these detenus as little burdensome and as much tolerable as possible in the circumstances, and that can be easily done by administrative orders. Therefore, that is not a matter of principle to which we need devote much time and discussion.

Mr. S. C. Mitra: But that means life and death to these detenus.

The Honourable Sir Brojendra Mitter: I fully realize the gloominess of the picture which my Honourable friend, Mr. Mitra, drew yesterday. That really makes a man think that when you are taking these people out of their own province, you ought to do everything possible to mitigate their hardship. (Hear, hear.) If any Honourable Member is able to make practical suggestions as to what ought to be done, I am sure the Government of India will not ignore them. Sir, with regard to the visiting committee, I hope my Honourable friend, Diwan Bahadur Harbilas Sarda, who comes from Ajmer will be a member of it. He will go and see these detenus, and if he makes reasonable suggestions as regards food or other matters, I am sure my Honourable colleague, the Home Member, will treat them with sympathy. Sir, I have nothing further to add with regard to the matters which are now under consideration.

Sir Hari Singh Gour: What about the life of the Bill?

The Honourable Sir Brojendra Mitter: I thank the Honourable Member for reminding me of this. The Honourable Sir Hari Singh Gour suggested, but did not say so in so many words, because, as a lawyer he could not say so, that an Act extending the existing Bengal Act of 1930 would automatically attract the measure which we are now considering. If I understood him rightly, that was his suggestion. Sir, I do not agree. I would ask my Honourable friend to refer me to any section of the General Clauses Act which would have that effect. The only sections in the General Clauses Act which are relevant are, I suppose, sections 7, 8 and 24. None of these sections deals with extension of an Act. They deal with repeal and re-enactment. Now, if the Bengal Act be repealed and re-enacted in 1935, then the measure which we are now considering, if it passes into law, will not attach itself to that re-enacted measure. This measure is supplementary to the Act of 1930. It says:

> "The power of the Local Government under sub-section (1) of section 2 of the Bengal Criminal Law Amendment Act, 1930, to direct, etc., etc."

Therefore, what we are doing is supplementing the Bengal Act of 1930. If the Bengal Act of 1930 be repealed or exhausts itself by efflux of time and be re-enacted in the same terms, then my submission is that this measure which we are considering now will not attach itself to that re-enacted measure, because, this Bill says, in so many words, that it is supplementary to the Act of 1930 and it is not supplementary to any Act which may be re-enacted in 1935. There is no section in the General Clauses Act or in any other law that I know of which automatically attracts a supplementary measure to an extended measure.

Sir Hari Singh Gour: That was not the point I made. I admit all that the Honourable the Law Member has said. My point is that if it is only extended to a further period and not repealed or re-enacted.

The Honourable Sir Brojendra Mitter: My answer to that is that even to an extended Act this measure will not be attracted because this measure in express terms is supplementary to the Bengal Act as it now stands and it cannot be supplementary to anything which may be different from the present Act. The Bengal Act has a five years' life. Therefore, the supplementary Act cannot in any circumstances survive the five years of the Bengal Act or be extended beyond the five years without further legislation. As soon as the Bengal Act falls to the ground by efflux of time or by repeal, the supplementary Act also falls along with it.

Mr. Jehangir K. Munshi (Burma: Non-European): Mr. President, in these days of undisguised British frightfulness in India, we have to be thankful for small mercies; and the House has to be thankful that it has been given an opportunity of discussing this measure. But having been given this opportunity, what has the House done so far? I recall, Sir, the year 1928 when the Public Safety Bill was introduced in the Assembly; and I feel sad when I contrast the attitude of the Opposition today with the attitude of the Opposition in those days, when a measure of this type which strikes at the fundamental rights of a British subject was discussed in this House.

The most effective answer to any attempt on the part of my Honourable friend Sir Cowasji Jehangir and other Members, who have deluded themselves into the belief that they are accepting no responsibility except for the provisions of this Bill—and this Bill alone, has been given by my Honourable friend Sir Brojendra Mitter in a nutshell. The Honourable the Law Member said, "if you can swallow the principle of detention without trial, why protest against any of the clauses of the present Bill?". To start with, I am in entire agreement with him on this point; but is this House prepared to accept the principle of detention without trial? If we are a party to this measure, according to Sir Brojendra Mitter's argument followed to its logical sequence, we shall be giving our sanction to the principle of detention without trial. If we are not approving the Bengal Criminal Law Amendment Act, then we have no right to add anything on the Statute-book in furtherance of that Act. (Hear, hear.)

The very first point which this House has got to consider is this. If the provisions of the Bengal Criminal Law Amendment Act were to be placed before this House today, what would be the attitude of the House towards those provisions? My Honourable friend Sir Cowasji Jehangir said yesterday that this House has no responsibility for the provisions of the Bengal Act. I ask him now, if the provisions of the Bengal Act were placed before the House today, would he support them? I am confident that he would not. I am equally confident that the Opposition, and more particularly the Nationalist and the Independent Benches, could not possibly lend their support to the Bengal Act if it were placed before the House today. If they could not lend their support to the Bengal Act, how can they lend their support to this Bill which is frankly in furtherance of the object underlying the Bengal Act? We have heard a great deal about this House not being given an opportunity to discuss various provisions which have been promulgated by way of Ordinances. But when we do get an opportunity now, what attitude is this House going to take up? If we pass this measure, what right have we to complain that we have not been given an opportunity to discuss the Ordinances; because if we were given an opportunity to discuss the Ordinances, would the verdict of the House be different to what it would be on this measure today? I do contend, Sir, that every principle of the Bengal Criminal Law Amendment Act is pernicious from end to end, and we cannot possibly be a party to any part of that Act or to this Bill which is frankly intended to supplement the Bengal Act and to help the Bengal Government which has taken powers under that Act. I therefore urge that the first duty of the elected

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Members of this House is to resist these constant inroads on the liberty of the subject and to throw out this Bill at this stage. (Applause.)

I cannot appreciate the argument advanced by my Honourable friend Sir Cowasji Jehangir that the House has accepted the principle of the Bill, and therefore even if the House realises at this late stage that it has committed a grave error, it cannot rectify it. Is Sir Cowasji Jehangir or any other Member in the House prepared to assert that because an error has been committed by accepting the principle of the Bill, this House is bound to persevere in it?

Sir Cowasji Jehangir: Had the Honourable Member been in this House and returned from Burma a little earlier, he would have been a little wiser than he is today.

Mr. Jehangir K. Munshi: My Honourable friend Sir Cowasji Jehangir is trying to evade the answer to my question. I would again put this simple question to him and would like to have a clear answer. Is it his position that even if this House has made a mistake in accepting the principle of the Bill, this House must persevere in the mistake and perpetuate it? I wait for a reply.

Sir Cowasji Jehangir: Certainly not. The House has always the privilege and the right to change its mind at any moment, but the Honourable Member, who has been deliberately absent from this Honourable House, has no right to criticise it on the third reading.

Mr. Jehangir K. Munshi: I am thankful to my Honourable friend, Sir Cowasji Jehangir, that he has given his opinion now in unequivocal language. Therefore, I do now tell every Member of the House, on the authority of my Honourable friend Sir Cowasji Jehangir (laughter and cheers) that whether he sat on the Select Committee or not, and whether he was present in this House or not when this Bill was referred to the Select Committee, if he now feels that the House has committed an error, whether it is a grave error or a slight error, in allowing this Bill to go to Select Committee, let him now rectify that error. We cannot perpetuate an error of this kind and thus do grave injustice to Bengal. (Applause.)

Assuming for the moment that this House is not going to refuse consideration of this Bill but that it is going to consider the Bill later on clause by clause—I hope this will not happen—but on that assumption I shall now try and deal with the object underlying clause 2 of the Bill. In this connection I may mention that in March, 1926, I moved in the Burma Legislative Council, in the course of the discussion of the Budget Demands for Grants that "the Demand under the head, jails and convict settlements, be reduced by Rs. 100" and to quote from my own speech in the Burma Legislative Council, "The object of the motion was to condemn the cruel and pernicious system of exiling political prisoners and political detenus from India and incarcerating them in Burma". Today, we are faced with the same problem. Instead of removing them from Bengal to Burma, the Government of India and the Government of Bengal, as they are at present advised, intend to exile them to Ajmer. But, I must impress on the House that what we heard from the front Treasury Benches is an expression of intention. A man's intention can change, and so can a

Government's intention change; and instead of the prisoners being removed from Bengal to Ajmer they can be removed elsewhere, if powers are taken under this Bill. My Honourable friend Sir Cowasji Jehangir expressed grave concern yesterday as to the conditions to which these unfortunate persons might be subjected, if they are removed from Bengal; and he tried to console his conscience by saying that if our Honourable friend Sir James Crerar were to give an assurance that they would receive the same treatment, and that they would have created for them, in whatever place they may be confined, the same conditions as prevail in Bengal, then Sir Cowasji Jehangir himself would see no objection to clause 2. Now, Sir, let us examine the provisions of clause 2 in the light of past experience. When I made that motion in the Burma Legislative Council six years ago, my Honourable friend Mr. S. C. Mitra was languishing in a jail in Burma. With him were Mr. Subash Chander Bose and about half a dozen other political detenus. Of course they were all taken away without a trial and incarcerated in Burma for a considerable period. None of them knew, I am afraid my Honourable friend Mr. Mitra even now does not know, for what offence he was taken away to Burma and kept there. Let us now examine the attitude of the Government of Bengal at that time towards these political detenus. Let the House remember that these unfortunate men were taken away without a trial and kept in Burma for a long period. These unfortunate men, who had to spend a long time in Burma in imprisonment, made certain demands. Those demands were legitimate demands, they were reasonable demands; but the Government of Bengal does not think in the same way as my Honourable friend Sir Cowasji Jehangir thinks; it thought quite differently. The result was that my Honourable friend Mr. S. C. Mitra and others decided to go on hunger strike. If I remember rightly, they were on hunger strike when my motion was moved in the Burma Legislative Council and carried in that Council. As a result of this, the hands of the Government of Burma were strengthened; and I must pay a tribute to the Government of Burma that they displayed a very humane attitude towards the political detenus (applause) and the obstruction came from the Government of Bengal.

Mr. S. C. Mitra: Quite correct.

Mr. Jehangir K. Munshi: I will give the House a slight illustration. These unfortunate men, imprisoned without a trial, nobody knows for what offence, wanted to have an exercise, a little harmless exercise. They wanted to play ping-pong. They asked for two ping-pong balls. (Laughter.) To multi-millionaires like my Honourable friends Sir Cowasji Jehangir and Mr. H. P. Mody the cost of two ping-pong balls may be negligible, but the Government of Bengal took a different view. (Laughter.) I am not an authority on ping-pong; but I understand my Honourable friend Mr. Arthur Moore is; and he will probably be able to give the House the precise cost of two ping-pong balls. But whatever that may be, with a view to decide whether these very dangerous men should be allowed these most dangerous weapons in the shape of two ping-pong balls, considerable correspondence, I am informed, passed between the Government of Bengal and the Government of Burma, and a very high-placed police officer—I am told it was the Deputy Inspector General of Police, Bengal—came all the way from Bengal to Burma, to decide whether these unfortunate men, imprisoned without a trial should be provided with two ping-pong balls

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and whether they should be allowed to indulge in this dangerous pastime (Laughter and Cheers).

I am glad my Honourable friend, Sir Cowasji Jehangir, is laughing. Amusing as Sir Cowasji Jehangir may find it, I do hope that he will also give serious consideration to this aspect of the question. What is going to happen to these political detenus when they are taken away from Bengal and kept under the custody of another Government, and that other Government has got to face hunger strikes, and that other Government has got to take all the odium and unpopularity, and that other Government cannot afford to tell the detenus "We are prepared to concede your reasonable demands but the Government of Bengal will not agree". They can only say, "It cannot be done".

My Honourable friend, Mr. S. C. Mitra, and Mr. Subhash Chander Bose and others who were then in a Burma jail asked for certain facilities for worship. Of course that also was a very serious matter from the Bengal Government's point of view. Is it right, argued the Government of Bengal, that a man who has been imprisoned without trial should be allowed to worship God? On this question also, I am told, there was voluminous correspondence, visits paid by highly paid officials from Bengal to Burma, and ultimately the august Government of Bengal conceded these human beings the right to worship God according to their own religion in their own way. It was a great concession. The argument that the Government of Bengal constantly adduced was that it was the Government of Bengal who had to pay for the upkeep of these prisoners, and therefore it was the Government of Bengal who had the right to decide in what way the detenus should live, and it was the Government of Bengal who would decide to what discipline the detenus should be subjected. Now, Sir, in view of this past experience, I, for one, would not trust any power of this kind to the Government of Bengal. (Applause.) My Honourable friend, Sir Cowasji Jehangir, asked for an assurance, but who can give an assurance now which will have a binding effect on the Government of Bengal? I hope that my Honourable friend, Sir Cowasji Jehangir, with his keen conscience will satisfy himself that what I have related here will not be perpetrated again before he gives his support to any provision of this Bill.

Now, Sir, coming to clause 4, this clause has caused a great deal of concern even to the Independent Party. It naturally would. But my Honourable friend, Sir Brojendra Lall Mitter, in his brilliant way has dealt with it. As I understood it, his argument comes to this, that there may be occasions on which clause 4 as it stands will be held to be *ultra vires* of the inherent powers of a High Court. Being *ultra vires* of the inherent power of a High Court, it will naturally be redundant. So, Sir B. L. Mitter tells the Opposition, why worry about something which is redundant and *ultra vires* and which any Judge of a High Court will hold to be *ultra vires* and brush aside? But, if that is so, why keep it in the Bill at all? Either the High Court will have the power to interfere or will not have the power to interfere. If in spite of clause 4, the High Court will have power to interfere, clause 4 should go now. Why should we enact a farce? If by reason of clause 4 the High Court is deprived of the power of interference, then that is a clause to which this House, even as at present constituted, will, I hope, never be a party. (Applause.)

Sir Abdur Rahim: Sir, we are not concerned at present in discussing the merits of the Bengal Act, and I think the debate has been prolonged enough to justify us now in confining ourselves to the very short points that arise. First of all I wish to take up the question of law which has been dealt with by the Honourable the Law Member, that is to say, clause 4 of the Bill. Where is the necessity for enacting that the application of section 491 should be barred out? As I understood the Law Member, the reason he gave was that arguments might be raised in court that the High Court can ordinarily interfere in the case of men detained under the Bengal Act under discussion. It is to clear up any doubts or ambiguities on that point that it has been found necessary, according to him, to put this clause 4 in the Bill. Now, Sir, if you look at the Bill itself, what it says is this:

> "The powers conferred by section 491 of the Code of Criminal Procedure shall not be exercised in respect of any person arrested, committed to or detained in custody under the local Act or the local Act as supplemented by this Act."

Therefore the argument seems to be that if any person has been illegally detained, then the High Court's powers of interference are not taken away. That, I understand, is the argument of the Honourable the Law Member, because clause 4 says "detained in custody under the local Act". Now I ask, if it was necessary at all to insert clause 4 to remove doubts as regards the scope of the powers of the High Court, then why not also make it clear that in case the procedure laid down in the Bengal Act as regards the detention of these persons,—what the local Government has got to do and what the Judges have got to do—has been disregarded that in those cases the High Court has the power to interfere and to order the release of the men from custody? Surely, Sir, if one is necessary so is the other; and I ask the Honourable the Law Member and the Honourable the Home Member to consider this as otherwise we shall be obliged to throw out clause 4 of the Bill. It is not really necessary. All sorts of arguments may be advanced but it is for the High Court to decide whether an argument is sound or not. If a particular argument would not be a sound argument, then why make any provision against it at all? That is the difficulty we are feeling. We think clause 4 is unnecessary and if it is unnecessary, as the Honourable the Law Member himself must recognise then why have it at all? If he finds it necessary to keep it there in order to remove any doubt then there ought to be a clause or proviso to the effect that in case the procedure laid down by the Legislature in the Bengal Act is not observed, then the High Court has the right and power to interfere.

The Honourable Sir Brojendra Mitter: Sir, may I answer the Honourable Member? Ordinarily the High Court has plenary powers of intervention. In so far as you expressly take away the power the High Court loses power to that extent, but the residuary power is always with the High Court. Therefore if a case does not come within the strict wording of clause 4, the High Court would still have the power.

Sir Abdur Rahim: Then why not make this clear? That is our position.

The Honourable Sir Brojendra Mitter: I should have thought it was clear enough.

[Mr. R. S. Sarma.]

asked "What are you doing?" He said "I went up to cut grass for my cow". The owner told him, "But grass does not grow on cocoanut tree". And the thief said, "That is why I came down". One is reminded of this story after the explanation we heard this morning from Sir Hari Singh Gour. Why did he go to Select Committee? For the purpose of improving the Bill so as to make it acceptable to the people of this country and acceptable to the Members of this House. If it is not so now, then why did he sign it? Because he says he could not do anything else as he was Chairman of the Committee and had to take an impartial view. Then why does he come down and oppose it now? Because he says he does not like the face of this Bill. It is something like the logic of the man who climbed the cocoanut tree. I wish that the Honourable gentleman had shown greater courage of conviction and not allowed himself to be bullied into an abject surrender by the rank and file of his party. I was myself present as a member of the Select Committee, and I exactly knew the working of the mind of Sir Hari Singh Gour. He himself said that the only principle involved in this Bill was to give power to the Bengal Government for the transfer of prisoners from Bengal to outside jails, and when certain amendments were pressed, as for instance, the question of travelling allowance and things like that, it was not Sir James Crerar but it was Sir Hari Singh Gour who pointed out . . . . . .

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): On a point of order, Sir. Is the Honourable Member entitled to discuss the proceedings of Select Committees?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): No, he is not.

Mr. R. S. Sarma: I am not discussing the proceedings of the Select Committee, but I find that many things that happened in the Select Committee have been said in this House. Anyhow, all I want to say is this, that Sir Hari Singh Gour himself felt that those amendments which were pressed could not form part and parcel of the Bill, and we accepted his suggestion as an expert lawyer. All he wanted was that the suggestion for improving the amenities of prisoners transferred to places outside Bengal should be embodied in some form or other, and Mr. Mitra and other friends agreed with him on the point. All that they said was that Bengal prisoners when transferred to other jails outside Bengal must have all the conditions prevalent in Bengal jails, and if those conditions were fulfilled, and if an assurance to that effect was forthcoming, they would be agreeable to this measure. I think even in the first stage of the debate on this Bill, two weeks back, the Honourable the Home Member said that, as far as possible, they would see to it that these prisoners are not subjected to hardships which in a new place they would be put to. Now if those conditions are fulfilled, and if an assurance of the kind that is asked for by my friend Sir Hari Singh and his friends is forthcoming, I do not see any reason why there should be any opposition to the Bill before the House. But with regard to the question of travelling allowance to relatives of detenus, to which Sir Abdur Rahim drew the attention of the House, I think, Sir, Honourable Members must take it, though it is an unpleasant thing to say it, that jail is after all a jail with all its hardships, and when a prisoner or detenu, or

whoever it is, goes to jail, he ought to know that he is going to jail and not to his father-in-law's house (Laughter); he cannot have all the amenities there. Then with regard to question of travelling allowance, there are two points which I want to place before the House. First is the question of cost, and I do not think the Bengal Government with its 2 crores deficit will be able to accept this suggestion, and secondly the very object of this particular Bill is, as far as possible, to discourage contact of the detenus with the outside world so that the terrorist movement might collapse, and one of the means by which this contact is established is by frequent interviews. Therefore, if Government do not accept this condition, that is to say, to pay the travelling allowances, they will be perfectly right.

Then, Sir, before I conclude, I should like to make a personal explanation with regard to a matter that was mentioned regarding myself at the last stage of the debate on this question. With reference to a particular statement that I made regarding the Leader of the Independent Party, he used a strong expression against me and said that what I stated was absolute falsehood. All that I said was, as will be clear from the official report of the Assembly debates, that there was a rumour that because his particular policy was not approved, he was asked to resign. The rumour might be true or not; but to say that what I said was absolute falsehood is quite unworthy of a leader of his position; but the way in which Sir Abdur Rahim himself stated the case proved that there was some truth in that. That reminds me of a story. Two friends were going along a road, one had something in his pocket, and they were waylaid. When they were questioned if they had anything with them, one fellow said: "I have nothing with me", while the other fellow fearing that something might happen to him, promptly took out what he had in his pocket. So this resignation is something like that. When the object of your policy in a particular portfolio is not approved by your fellow colleagues or by the head of the administration, it is not the unpleasant portion of it that you give up, but it is the office that you give up. Then, Sir, I have also to say this, that Sir Abdur Rahim held out a threat unworthy of a big leader, that if Nominated Members are allowed to say things which are in the confidence of Government, he would himself be obliged to come out with things that have actually happened . . . . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member is too long in his personal explanation.

Mr. R. S. Sarma: I do not want to say anything more, Sir.

The Assembly then adjourned for Lunch till Twenty Five Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Twenty Five Minutes Past Two of the Clock, Mr. President in the Chair.

Mr. C. C. Biswas: It is perhaps natural that in a matter of this kind the discussion should be swayed to a large extent by sentiment. It is also perhaps natural that the discussion should have ranged over a much wider field than the immediate issue before the House. It is just as well that

Sir Abdur Rahim: Now take the Bengal Act. Section 9 of the Act says that within one month from the date of the order the material facts and circumstances in the possession of Government will be placed before the Judges and the Judges will have to pass an order. Supposing no such evidence or facts had been placed before them, and no such order has been passed. Surely the High Court ought to have the power to interfere, otherwise the whole thing is a farce. That is the Local Government can, without observing the procedure of the Act at all, detain any person in custody as it thinks fit, and the High Court can not interfere. It is admitted—I take it as an admission on the part of the Law Member—that the insertion of clause 4 in the Bill was not necessary. If however it be necessary, then I say that there ought to be a proviso as I have suggested, namely, that in case the procedure laid down in the Act has not been observed, the order of the Government shall be set aside and the High Court should be at liberty to order the release of the detenu.

Sir, the other question is regarding the proper treatment of the persons kept in custody. Government ought to remember all the time that these are not convicts; these are not criminals who have been found to be guilty after a proper trial. They have not had an opportunity of being tried in court apparently because the evidence available would not be sufficient to justify any court in convicting them. At the best they are mere suspects, and people may be suspected who are perfectly innocent. Therefore in their case it is essentially necessary that they should not be treated in the same way as persons convicted of crimes. They should not be put to any unnecessary hardships, and I think the Honourable the Home Member himself more than once in the course of the debate that there has been on this Bill assured the House that he would do all that was necessary in order to see that no unnecessary hardships were inflicted. I believe I am correct in stating this as the position taken up by the Honourable Member. If that is so, all that is needed is that we should have a proper assurance that what the Honourable Member has said will be carried out. There is a great deal of feeling on this side of the House that though assurances are given, it is not always that those assurances are translated into action by the subordinate executive authorities or even by the Local Government. I understand that rules have been already framed by the Local Government under this Act, and that they were shown to members of the Select Committee. But others have not had the advantage of seeing them, and I am told that they were marked as confidential. It does not seem clear to me why the rules enacted under an Act should be treated as confidential at all. We ought to have those rules before us and we ought to be satisfied that they are really proper rules. Ordinarily any rules framed under an Act are published in the gazette, so that the public may know not only what the enactment is but the rules which are part of that enactment. Any rules framed under an Act are part of the legislation itself and I do not think there is any justification for treating any such rules as confidential. If we see the rules that are framed, then in that case many of the difficulties that we are experiencing on this side of the House would be removed.

1 P.M.

Specific questions have been raised as regards the food of these detenus and also their general treatment—interviews and matters of that nature. Now, there ought to be no difficulty in directing by rules that the food which these detenus are accustomed to in their own province should be supplied to them as far as possible. There ought to be no difficulty about that. The same as regards interviews. As regards interviews I quite recognise that it may not be possible to allow too many interviews, especially having regard to the distance from Bengal of the place where they will be incarcerated. But I am certain that many at any rate of these prisoners belong to rather poor families; and it would be inflicting very great hardship on those families if the Government did not make some special provision for payment of travelling allowances to some friends or relations of the detenus for say, two or three times a year. I do not think the cost would be too much: at any rate the rule ought to lay down that Government will provide all reasonable facilities to the relations of the detenus to visit them at proper intervals.

Then as regards general treatment, I should like to say one thing: I know some time ago a Jail Committee was appointed in order to introduce reform in the administration of jails a report was issued. It was a very large volume and contained very valuable and interesting suggestions in order to bring the jail administration in India into the line with modern ideas. I believe all Local Governments were asked to consider the proposals and considerable headway was made by the Local Governments in respect of the carrying out of those proposals. My friend, Mr. Mitra, cited some cases in which the old jail rules were certainly very much out of date, and the political prisoners and other prisoners of their status felt that the enforcement of some of those rules were of an extremely humiliating character. He mentioned especially the rule regarding saluting certain officials as "Sarkar Salam" and what he called the 'latrine parade'. I think the Honourable the Home Member and other occupants of the Treasury Benches will realise that in the case of these detenus especially, jail rules of this class can serve no good purpose at all: on the other hand it must result in a great deal of mischief if any humiliating rules are enforced. These political detenus after all are not convicts: they are not criminals and whatever offence they may be suspected of is of a political nature, and it cannot be desirable and it cannot be in the interests of good Government or in the interests of jail administration that they should be put to any unnecessary humiliation. I am perfectly sure the Honourable the Home Member will see the advisability—at least I hope so—of providing by rules under the Act that any rules of jail discipline which are unsuitable for political detenus should not be applied in their case. I think if the rules are so framed as to satisfy those conditions, the opposition that there is on this side of the House will be very much mitigated.

These are therefore the two points before the House: whether it is necessary to retain clause 4, and if so, whether a proviso should not be added to the effect suggested in one of the amendments; and the other is that the rules should definitely provide ensuring proper treatment as regards food and as regards discipline, and all that, of the political detenus. If the Government Benches are prepared to accept our views on these two points, I believe there will not be much opposition to the Bill.

Mr. R. S. Sarma (Nominated Non-Official): Mr. President, a thief after climbing up a cocoanut tree for the purpose of stealing a few cocoanuts, suddenly realised that the owner of the tree was coming and therefore started climbing down. He was challenged by the owner and

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this should be so, because I wish my friends on the Treasury Benches to realise that in matters which involve the liberty of the subject, all sections of the House feel almost equally strongly. The Honourable the Law Member has stated that provisions like those which you find embodied in the Bengal Criminal Law Amendment Act or in the State Prisoners' Regulations are not liked by anybody, that they are abhorrent as much to the officials as to the non-officials. The only difference is this, that while the officials, professing their abhorrence for such measures do not hesitate to take action which appears to be somewhat inconsistent with their professions, the non-officials, on the other hand, not being oppressed with the sense of responsibility which weighs upon my friends on the other side, are in a position to take a more detached view of things, all the same a view which deserves much more consideration on that very account, and I claim that the attitude which non-official Members of the House take up deserves to be treated with the utmost sympathy by Members of the Government, if for no other reason than that the victims, or the would-be victims, of such measures are or will be persons belonging to our own kith and kin. We realise, all of us, the situation in which the Government find themselves at the present moment. We realise their embarrassments. We realise that the attempts which they have so far made have in many instances failed, and therefore it is that they are asking for more powers. We concede quite frankly that in asking for such powers they are acting from the best of motives. We are not impugning their *bona fides* at all. All the same, as representatives of the people, it is our duty to tell the Government what the people feel about such measures. It is our duty to warn them of the dangers that are inseparable from action such as they want to take. Recognising the difficulties of the situation, some of us may be prepared to concede drastic, arbitrary powers to the executive, but more than the existence of such powers, the danger comes from the way in which those powers are actually administered. That is a point which I desire to impress upon my friends on the other side,—that in applying the provisions of enactments like these they should try to temper justice with mercy, they should try to soften the rigours of such repressive measures as much as possible, they should try to adopt an attitude of humanity. Remember that the persons who are to be dealt with under this Act or under corresponding Regulations are persons who have not been placed before a court of law and found guilty. That makes a good deal of difference. If we were dealing with persons whose guilt had been established in a court of law after proper trial, one could understand, and one could also reconcile oneself to the fact, that they should be deprived of their liberties to a certain extent. After all, people must be prepared to take the consequences of their actions, and it is useless to expect that life in jail should be quite as pleasant as life at home. But, Sir, I submit that, when you are dealing with persons as regards whom it has yet to be established that they are guilty, you should certainly try to differentiate their cases from those of persons who have been found guilty after proper trial. Situations may arise, situations do arise, and I am prepared to concede that a situation has arisen, when the executive feel bound to take action upon mere suspicion. But such suspicion must be founded on reasonable grounds. Unfortunately, it is our experience that the sources of information on which the Government find themselves compelled to act are not always above reproach. If we could be satisfied that Government were always well served by their agents, then possibly much of the objection to measures like these from the popular side would have been taken away. Unfortunately, that is not so. There have been numerous instances, both recently and in years gone by, when miscarriages of justice of the gravest character have been brought to light. We in Bengal yet remember that notorious case of the *Sindhubalas*. There were two *Sindhubalas* in Bankura. One of them was wanted. There were two of them with the same name. The police did not know what to do. They took *both* into custody, and then after several weeks, they found it necessary to discharge both of them! Well, Sir, I am reminded of a passage in a speech which was delivered by the late Sir Rash Bihari Ghosh, referring to measures of this description. I suppose he was referring to Regulation III of 1818, and the learned doctor pointed out that it recalled the simple rule which found favour in an ancient Scotch border town. The formality of a trial was not dispensed with, only that it took place after execution. Here in the case of the *Sindhubalas*, the inquiry followed the arrest, and then as a result of that inquiry both had to be discharged. So, I say there are those inherent dangers arising from the character of the agents whom Government have to rely upon. Therefore I say, proceed cautiously, and proceed, if you must, in such a way that the severity of the punishment may not be greater than it must be.

I am quite prepared to recognise the fact that so far as the present Bill is concerned, it is a supplementary piece of legislation. As I myself had occasion to point out when the Bill was being referred to a Select Committee, the main enactment was passed by the Bengal Legislative Council, when that Council re-enacted for a further period of five years the Act of 1925, and I may also inform Honourable Members to-day that only recently, last month, the Bengal Legislative Council passed an amending Act whereby some very important modifications were made in the Act of 1930. I am referring to this for the purpose of showing that that Council had on more than one occasion expressed its approval of this measure. Notwithstanding what my friend Mr. Munshi has said, it is not possible for us to overlook that fact altogether. Those who were primarily responsible did accept responsibility for a restrictive enactment of this kind. They did so at least on three occasions, first of all, in 1925 when they passed the Bengal Act of 1925; then, Sir, in 1930, when that measure was re-enacted, and lastly, in February this year when the whole policy underlying the Act was again opened for discussion and re-affirmed. There was strong opposition from non-official Benches no doubt, but still the amending Bill was carried by an overwhelming majority. That is a fact of vital importance which, as I have said, we cannot ignore altogether. That being so, I think the House will not be justified in throwing out this Bill at this stage, when it is invited to take it into consideration. It is the duty of the House to see that the Bill is licked into shape so as to make it as acceptable as possible to popular opinion. On abstract grounds, Sir, we can never reconcile ourselves to this principle of arrest or detention without trial. That is a fundamental objection, but although we might record our protest here, our protests are bound to be unavailing. We cannot by our vote touch in any way the Regulations which are there already. We cannot by our vote touch the Bengal Act which is on the Statute-book of the local Council. We can only voice our protest and our opinion. We can by our

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vote show what exactly we feel and think about measures of this kind, but it is not possible for us to remove these obnoxious Acts and Regulations from the Statute-book. Therefore, as practical men at the present moment when we are faced with a supplementary Bill like the one before us, I submit that we ought to try our very best to see that it does not go beyond the lengths to which it must go.

Sir, what are the principles of this measure? As I conceive them, they are two. One is about the transfer of detenus from Bengal to another province, and the other is the taking away of the right of *habeas corpus*. With your permission I propose to take the second point first, but in order that my friends might appreciate exactly how the matter stands it is necessary that they should be acquainted a little more fully with the details of the primary legislation, the Act of 1930, which was passed by the Bengal Council. Sir, the Bengal Criminal Law Amendment Act of 1930 contains two important operative sections, sections 2 and 4, and there is a difference between the two, and Honourable Members of this House should know what that difference is. If you turn to section 2, you find it provides this. I will place before you the amended section the section as it now stands, or will stand shortly after the amending Bill has received the assent of the Governor. It says this:

"Where, *in the opinion of the Local Government*, there are reasonable grounds for believing that any person—

(i) is a member of an association of which the objects and methods include the commission of any offence included in the first Schedule or the doing of any act with a view to interfere by violence or threat of violence, with the administration of justice; or

(ii) has been or is being instigated or controlled by a member of any such association with a view to the commission or any such offence or act; or

(iii) has done or is doing any act to assist the operations of any such association,

the Local Government may, by order in writing, give all or any of the following directions, namely, that such person—

(*a*) shall notify his residence and any change of residence to such authority as may be specified in the order;

(*b*) shall report himself to the police in such manner and at such periods as may be so specified;

(*c*) shall conduct himself in such manner or abstain from such acts as may be so specified;

(*d*) shall reside or remain in any area so specified;

(*e*) shall not enter, reside in or remain in any area so specified,"

and then follows an important clause for my present purposes,

Section 2: "shall be committed to custody in Jail. . . ."

and the section goes on that the Local Government may at any time add to, amend, vary or rescind any order made under this section:

"Provided that such order shall be reviewed by the Local Government at the end of one year from the date of making of the order, and shall not remain in force for more than one year unless upon such review the Local Government directs its continuance."

You will find, Sir, that there are six kinds of directions which the Local Government may make under this section, and one of these is in clause (*f*) which says that the Local Government may direct that the person

shall be committed to custody in jail. That is the only clause which authorises detention in jail *under this section*. The other directions are to notify residence, to report to the police and so on. So far as habeas *corpus* goes, Sir, we are not concerned with these other directions, but only with clause (*f*), in a case arising under this section. Then comes section 4:

"4. Any officer of Government authorised in this behalf by general or special order of the Local Government may arrest without warrant any person against whom reasonable suspicion exists that he is a person in respect of whom an order might lawfully be made under sub-section (1) of section 2."

This section also has been recently modified, but it is unnecessary for me to refer to that modification for my present purposes. What I wish to point out in connection with section 4 is this that whereas in section 2 it is provided that action shall be taken *only where in the opinion of the Local Government* there are reasonable grounds for believing that the person concerned has acted or is about to act in a certain manner, here under section 4 on the other hand there is no question of "the opinion of the Local Government" at all: all that is said is this that, "Any officer of Government authorised by general or special order may arrest anybody against whom a reasonable suspicion exists". The difference between the two is this. Suppose an application were made to the High Court in a case where an order had been made by the Local Government acting under section 2, directing that a certain person shall be committed to custody in jail; then, upon the hearing of that application, the moment the order was produced saying that the Local Government had come to the opinion and recorded the opinion that this man was acting in the manner indicated, the application would be ruled out at once; in other words, the High Court would not interfere, for the purpose of substituting its own judgement for that of the Local Government. The "opinion" of the Local Government is the condition precedent for taking action under this section. Once that opinion is recorded, that is conclusive for all purposes, and no court of law, not even the High Court, would be entitled to go behind that opinion for the purpose of investigating on its own account as to whether that opinion was or was not well founded. Suppose, however, a man is arrested under section 4; there power is given to arrest without warrant any person against whom a "reasonable suspicion" exists. In such a case, if the matter goes up to the High Court on an application for a writ of *habeas corpus*, the High Court will certainly be entitled to go into the question upon the facts as to whether or not there was "reasonable suspicion". The opinion of the officer making the arrest would not be conclusive, and the High Court would be entitled to go behind that. Well, Sir, I can quite appreciate the difficulty of the Government in placing all the materials before the court in such a case. It may be that the officer making the arrest has some information about some person whose identity he cannot disclose; possibly, if he did that, it might place the person who gave that information in jeopardy, or it may be that if that information was disclosed, it might interfere with other inquiries which were then on foot. The premature disclosure of plans might avert action in many other cases, or, for various other reasons it may not be desirable or expedient or possible for the police or the Government to place all the facts showing why the person was arrested before the court; and therefore, in such a case it is possible to understand why the Government should be anxious to keep the matter out of court, because here the law does not provide

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that the opinion of the person making the arrest will be binding upon all concerned including a court of law. It is only fair on my part to point out that in a case coming under section 4, where a person is arrested, the arrest can be followed by detention only for a limited period; in other words, the officer makes the arrest and then after that, he reports the fact to the Local Government, and pending the orders of the Local Government upon his report, he commits that person to custody, and it is provided here that such custody shall not exceed a period of 15 days except under a special order of the Local Government, but in no case can the period of detention even under the orders of the Local Government exceed one month. It was one month under the Act of 1930 as it stood; since then, by the amending Bill it has been made two months. So under section 4 a person runs the risk of being kept in custody for a maximum period of two months. Then, Sir, there is the other provision—section 9—which my learned friend, Sir Abdur Rahim has referred to already, and it is necessary for my present purpose, as I am dealing with the question of *habeas corpus*, to draw attention to it once again. It says this:

> Within one month of the date of order by the Local Government under sub-section (1) of section 2, the Local Government shall place before two persons" (of certain qualifications) "the material facts and circumstances in its possession on which the order has been based or which are relevant to the inquiry," and so on; and then "the said judges shall consider the said material facts and circumstances and the allegations and answers and shall report to the Local Government whether or not in their opinion there is lawful and sufficient cause for the order."

Now what is the effect of taking away the right of the High Court under section 491 of the Criminal Procedure Code in respect of persons dealt with under this Act? Let us rather see what would be the position, if this power was not taken away. As I say, if the *habeas corpus* was not taken away, then, in a case coming under section 2, the only ground which could possibly be put forward for making such an application would be this, that the order which directs detention in custody does not show on the face of it that the Local Government were of opinion that the person was acting in the manner indicated, but that would be a very rare case. We can take it for granted that whenever an order is made under section 2, the Local Government would take good care to see that the order was drawn up in terms of that section, and the order would recite that the Local Government are satisfied that in their opinion the person has acted in the manner indicated. So, for practical purposes we need not contemplate any such cases, but it may be that after the arrest and the order of detention are made, the Local Government does not place the material before the Judges as required by section 9 within one month. It is apparent that in that case the position will be that although the arrest and detention were good and lawful to start with, the detention would cease to be good and lawful as soon as the month expired without the matter being placed before the Judges. In that case it should be open to the person concerned to come up to the High Court and get an order of acquittal on that very ground.

Let us see now what is the position regarding section 9. In a case under section 4,—and these will be practically the important cases touched by the *habeas corpus* clause,—it would be open to the man, even at the very outset, to come up to the High Court and challenge an inquiry as to

whether or not the grounds on which the arrest was [illegible] able". Let us examine for a moment that clause in the Bill which purports to take away the right of *habeas corpus*, namely, clause 4. I am assuming for the present that the powers under section 491 of the Code of Criminal Procedure are co-extensive with the powers of issuing a writ of *habeas corpus*, but I may point out that there is high authority for holding that, apart from section 491, the High Courts enjoy certain other powers, powers which they have inherited from their predecessors or derived from the common law. The present Bill seeks to take away only the powers under section 491. If, apart from this section, the High Courts have certain powers, those powers will still remain with them, and we need not worry about that at all. Let us confine ourselves to section 491 only. Clause 4 provides that "The powers conferred by section 491 of the Code of Criminal Procedure, 1898, shall not be exercised in respect of any person arrested, committed to or detained in custody under the local Act or the local Act as supplemented by this Act". You will observe the collocation of these words—"arrested, committed to or detained in custody", which seems to suggest if the object was only to refer to cases coming under section 4 of the local Act, because section 4 of the local Act uses the word "arrested" in sub-section (1), then the word "committed" in sub-section (3) and the words "detained in custody" in the proviso to sub-section (3), but I think it will not be safe to hold that the language is not wide enough also to cover a case of detention under section 2 where you find the expression "committed to custody in jail" used in clause (*f*). My Honourable friend the Law Member has said that if a case arises in which the arrest or detention does not conform to the provisions of the Act, it will still be open to the person concerned to apply to the High Court for a writ of *habeas corpus*, and the High Court will be quite within its jurisdiction in entertaining and allowing such an application. In other words, if I have followed his contention aright, it means that notwithstanding clause 4—I am assuming that it will be embodied in the Act—the High Court's power to interfere in a case of illegal or improper detention will not be taken away. Sir, with all respect I do not share that view. Will that be so in a case under section 4? If that was the case, then there would be no point in making this provision. My Honourable friend assumes that the words "any person arrested, committed to or detained in custody" in clause 4 can only mean a person *lawfully* arrested, *lawfully* committed or *lawfully* detained in custody. But, Sir, to me it appears to be at least doubtful whether that view will be taken. The question is this. Does not this clause 4 as worded protect also an arrest or a committal or a detention which *purports to be made under this Act*? The question is whether or not the High Court will have jurisdiction to entertain an application for the purpose of considering whether the arrest or detention or committal is in accordance with the law or not? To say that if the detention is illegal, the High Court will still have the right to interfere, but that if the detention is legal, the High Court has not a right to interfere, I submit, is begging the question. I should like to know, which will be the authority to decide whether the arrest is illegal or legal? As a matter of fact, as all the reported cases under section 491 will show, when the party concerned comes up to the High Court and makes an application, under that section, it does so on the allegation that the detention or the arrest is not legal. Where the High Court has come to the conclusion, after proper inquiry, that the arrest was legal, the Rule

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has been discharged. In other cases where they came to the conclusion that the arrest was illegal, they directed that the prisoner should be set at liberty. That is the position. What my Honourable friend the Law Member said was this. If the arrest was legal, then the High Court cannot interfere. But if the arrest was illegal, then the High Court can interfere. Sir, the point that I wish to put to him is this: Are you or are you not taking away the right to go up to the High Court for the purpose of obtaining a decision on the question as to whether or not the arrest was legal or not? That is the point. Clause 4 certainly leaves the matter not free from ambiguity. I will not put it higher than that.

Sir, I quite appreciate the other argument which my learned friend put forward, and that is that this clause has been put in here to bring the matter into line with what you find in sub-section (3) of section 491 already in the case of persons coming under Regulation III of 1818 or the other corresponding Regulations of Bombay and Madras. I can quite appreciate that. But on that point let me remind the House that, although section 491 now contains sub-section (3), it is there notwithstanding the repeated objections of the House. Sir, my Honourable friend Sir Hari Singh Gour is my authority and he tells me, that, on several occasions attempts were made on the floor of the House, and some of those attempts were successful, for the purpose of knocking this provision out of section 491. But over there sits the House of Elders, and thanks to our friends in the Council of State, it found its place again in the statute-book. No doubt for the sake of symmetry clause 4 of the Bill ought to stand, but it will be misleading to suggest that this House is reconciled to sub-section (3) of section 491 itself. I can quite understand that if you are going to take away the right of *habeas corpus* from the persons who are dealt with under the State Prisoners Regulations, there is no reason why you should accord a preferential treatment to persons who are dealt with under the Bengal Act. I can appreciate a line of argument of that kind. But we say, both are equally obnoxious. Either clause 4 of the Bill is intended to be operative, or it is not. If it is operative, then it does or it ought to successfully and effectively take away the right of *habeas corpus*. If not, then the best course would be to remove that clause altogether, and having done it now, to follow it up by bringing in an amending Bill for the purpose of getting rid of sub-section 3 of section 491. It is elementary law, it is elementary justice that where a subject has been deprived of his liberty, he shall not be deprived of the right to show that his liberty has been unlawfully taken away from him. There must be a remedy to every wrong. Are we to understand that there shall be no remedy against an executive wrong, because such wrongs are perpetrated in the name of law and order? Sir, I quite appreciate that no suspicion or distrust of the High Courts is involved. Nothing of the kind. But I do say that these provisions betray an overanxiety on the part of the executive to shield all their actions from the light of day. My Honourable friend the Law Member has given some explanation of the existence of this clause 4. May I remind him and remind other Members of this House that the explanation he has now put forward is not that which Government had put forward at an earlier stage of the Bill. This clause 4 reproduces the corresponding provision of the Supplementary Bill which had been introduced in 1925 and which afterwards was certified by the Governor General. You remember, Sir, that the first Act by the Bengal Council

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probably he was referring to Sir Hari Singh Gour—

"and he instructs learned counsel on my behalf, and the Court is bound to issue a rule on the officer who arrested me to show that he acted on reasonable suspicion. Very good, what is the position of Government in regard to that? Government may justify or it may not justify. If it justifies, it must produce evidence which *ex-hypothesi* is evidence which it cannot produce. It is evidence of a secret and State character which cannot be produced in court, because if it could be produced in court the man would be tried. Government are in this dilemma then, they must either give away their secret sources of information which will destroy the whole system on which our power to control secret movements is based, or they must submit to the discharge of the person arrested. In other words, this Act becomes unworkable . . . . This shows why *it is essential, if you set up this system, that you must bar the jurisdiction of the High Court.* There is nothing else left to you. Otherwise you may just as well not have the procedure at all."

Sir Alexander Muddiman would not allow an application to the High Court even for the purpose of establishing that the arrest was illegal. To be logical and to be consistent, that is the proper attitude for the Honourable Member to take up. Otherwise there is no justification for this clause: unless you want effectively to shut off application to the High Court, why have this section at all? Then Sir Alexander Muddiman goes on:

"If I have to justify the detention in the High Court, I have to reveal my sources of information. My case is that I cannot reveal the evidence. That is my whole case. If the evidence can be brought before the Court, we should bring it forward and put the man on trial. If I do not justify, then the accused person arrested must be discharged by the court. Let me impress upon my Honourable friend that there is no question of distrusting the court. The court is bound to make me produce the evidence which I cannot produce and which the very course I am taking shows that I cannot produce. *Ex-hypothesi* I cannot produce that. You absolutely destroy the whole of the second part of the Bill, if you take a different view. That is the whole of my point. You cannot have co-existing a power of revision of the grounds of your action by a judicial tribunal."

That is the most important thing, you cannot have co-existing a power of revision by a judicial tribunal. In other words executive action must be wholly, completely and decisively free from judicial tribunals. That must be the position. And unless you take up that position, I say you cannot justify a provision like what you find in section 491, sub-section (*3*), or what you find in clause 4 of the Bill. So you will see, the interpretation which Government put forward in 1925 was of a different character, much different from what is put forward now. Sir, so far as I am concerned, I shall be glad to think that since 1925 Government have changed their views in the matter. Government now believe possibly what they did not then believe, or do not admit that they believe, that there may be cases where persons may be arrested without lawful reasons. If, at the instance of the present Law Member, Government have undergone that change in their angle of vision, that is a matter for sincere congratulation. Sir, I say, if that is the position, then let that position be clearly safeguarded by a proper amendment of this clause 4.

I am sorry, Sir, that my friends in the Select Committee had not addressed themselves to this aspect of the question with that care and thoroughness which we had a right to expect of them. I mean no disrespect to them. I have every sympathy with Sir Hari Singh Gour and his notions of constitutional propriety. All the same I do think that he might have given a lead to the other members of the Committee, a lead

born of his ripe experience, his sound knowledge of jurisprudence, and his well-known love for the liberty of the subject.

Sir, I find my friend Mr. Sitaramaraju has tabled an amendment to this clause. The least we can do is to accept that amendment. That at any rate will make it perfectly clear that this clause 4 is not intended to shut the door upon all applications to the High Court, even for the purpose of establishing that the arrest was an illegal arrest. This, Sir, is what I have got to say with regard to this question of *habeas corpus*.

Then I come to the other part of the Bill, that which deals with the removal of detenus from the province of their origin to another place. Sir, in this connection I will remind my Honourable friends here that years before when the late Sir Surendra Nath Banerjee was a Member of the Imperial Council, he brought forward a Resolution in connection with persons dealt with under the Regulations, and he urged that an Advisory Committee of the Legislature should be appointed for the purpose of inquiring into and reporting on all cases of detention under Regulation III and other kindred Regulations. He further suggested that it should be the duty of that Committee to make recommendations in every individual case regarding the health, allowance, the manner of detention and other matters relating to the persons arrested. Sir, that Resolution was accepted in substance by the then Government. I believe Sir William Vincent was then the Home Member. But I do not know what is the position today. As a matter of fact we know that for some time persons who were dealt with under these Regulations had their cases placed before a Committee of two Judges of the High Court. In Bengal I remember there was a Committee consisting of the late Mr. Justice Beachcroft and the late Sir Narayan Chandravarkar, and as a result of the investigations of that Committee, there were several cases where persons were set at liberty. I do not know, but I should like to have some information from my Honourable friends on the other side, whether that wholesome procedure is still followed. You see, Sir, in the Bengal Criminal Law Amendment Act there is section 9 which requires every case to be placed before two Judges. Of course the Judges are not High Court Judges there. Regulation III of Bengal and the corresponding Regulations of other provinces do not contain a similar provision. That is why the Resolution had been brought forward in the Council. But although that is not there, there is no reason why,—if it is a fact,—Government should have suspended a very wholesome practice which had been followed for some time. As a matter of fact recently there had been some questions either in this House or in the Bengal Council inquiring whether this procedure was being followed; and if my memory serves me right, the answer was neither "Yes" nor "No", but silence.

Mr. K. C. Neogy: The answer was in the negative.

Mr. C. C. Biswas: Well, Sir, whether it was a definite "No" or it was the still more eloquent silence of the Member in charge, the fact remains that this procedure is not being followed at present. I would very humbly appeal to the Members on the other side to consider the desirability of restoring that practice, because, after all, though public opinion will never be reconciled to a thing like suspension of *habeas corpus* or arrest or deportation without trial, still it may be made rather less unacceptable by having recourse to such proceedings as had been actually followed for some time.

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Coming now, Sir, to clause 2 of the Bill, when this Bill was introduced, I was one of those who drew pointed attention to the discomforts and the inconveniences which persons removed from Bengal were bound to suffer in other provinces; and I referred in particular to questions of diet, questions of cooking, and so on. I am sorry to say that some of my friends simply laughed me away. There was a titter of laughter amongst non-official Benches on that occasion. Of course I was not indulging in sentiment; I was trying to put before the House some practical difficulties. I am glad to find that my Honourable colleagues now realise that the objections I was raising at that stage were after all not puerile or ridiculous objections; and I am glad to acknowledge that on that occasion the Honourable the Home Member stated that he viewed the matter with the utmost sympathy. Speaking from his place on the 20th January, 1931, he said this:

"Nevertheless I do frankly recognise that the provisions of the Bill for removal to other provinces do involve hardships of a special character. I admit that. Our object in regard to this matter, when under the Act of 1925 a certain number of such removals had to take place, was to impress upon Local Governments that so far as possible the conditions of detention in Bengal should be reproduced. Questions of climate, of food and other questions which have been raised by Honourable Members are carefully considered, and every attempt is made to secure that so far as conditions permit, there is uniformity; that there is, as I say, an endeavour to reproduce in the province of transfer as far as possible the conditions in Bengal, and if this Bill is passed and if occasion arises for the transfer of detenus to other provinces, I am prepared to give an engagement that that aspect of the question will be very carefully borne in mind and that the Local Government concerned will be informed of our views in the matter."

So far as these questions of comfort of these detenus are concerned, this clearly shows that the Honourable Member was very sympathetic in the matter. But he did not follow up his sympathy as far as he might have done. What he suggested was that he would communicate to the Local Government the views of the Government of India in this matter. I speak more in sorrow than in anger, when I say that that will not do. That will not meet the requirements of the situation. The matter ought not to be left to the discretion of the Local Governments. If the Government of India are prepared to bring it to the notice of the Local Governments, I do not see why they should not bring it to their notice in a way which will make their opinion effective. That is the point. I do not care whether you insert these provisions in the Bill itself or in the rules; but what I want is an assurance more than what has been given here, not merely that this will be communicated to the Government of Bengal, but that the Government of India will see to it that the Bengal Government does carry out those instructions with a view to minimise and mitigate the hardships so far as practicable. That is what I want. The Honourable Sir Brojendra Mitter has no doubt drawn our attention to section 11 of the Bengal Criminal Law Amendment Act, which provides for the appointment of visiting committees in Bengal, and has pointed out that under the proviso to clause 2 of this Bill the powers which the Local Government in Bengal may exercise under section 11 shall be exercised also by the Local Government in the province to which these prisoners may be transferred. I do not think, however, that this would be quite sufficient. As a matter of fact the visiting committees that you may appoint there would no doubt be acting with the best of intentions and trying to do their very best to soften the hardships of these prisoners; but it would be more their misfortune than their fault that they would not be conversant with the habits and conditions of Bengali prisoners. In spite of all their efforts and intentions, they might not be able to appreciate exactly what a Bengali should like or dislike. Might I therefore offer a suggestion to the Honourable the Home Member for his consideration? As the Honourable the Law Member said, there is already a set of rules for Bengal—rules which I understand are very liberal in their character. Those rules will require to be modified, if they are to be applied in some other province. The Bill, if passed into law, will no doubt give power to the Government to transfer a prisoner from Bengal to any province it likes, but for all practical purposes, as I understand it, we are now confined to a choice between Bengal and Ajmer-Merwara. If that be so, it should not be difficult for the Honourable the Home Member to take the Bengali Members on this side of the House into his confidence and lay before them those rules, and invite their suggestions in what respects those rules might be modified in their application to Ajmer-Merwara. I am quite sure, Members on this side of the House will be glad to help the Home Member in every possible way; and if in that way a practicable arrangement satisfactory to both parties can be arrived at, I do not see why Government should object. That is my suggestion. I do not insist that you should have something in the Bill itself to provide for these things. As a matter of fact, suppose you did, even then, if Government were so minded, they would simply treat them as a scrap of paper. Unless the Government are prepared to actually act in that way, no statutory provision in the Bill itself will make them to do it. Therefore the most important thing is to secure and obtain an assurance from Government that they will take steps to see that the Local Governments concerned do take action in the way suggested; and therefore I say that the rules which are already in force in Bengal might be placed before us and we might be given an opportunity to consider and suggest for the consideration of Government in what respects they might be modified so as to suit the altered conditions in the other provinces to which these men might be transferred.

I will not detain the House any longer. I have endeavoured to speak quite candidly and frankly, because I feel the occasion is one when we should speak without reservation. I say once again that we recognise the difficulties of Government, that we are quite willing and anxious to give them whatever help they want in order to meet a situation of unprecedented strain. All the same we also expect that Government on their side should accept our co-operation in regard to matters not very vital from their point of view, not very vital from the point of view of law and order, but very vital from the point of view of those men themselves, because they are matters which touch their health, their conditions of stay, their life itself. This is all, Sir, that I have got to say.

Major Nawab Ahmad Nawaz Khan: Sir, I rise to support the Bill as it is . . . . . .

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Who thought otherwise?

Major Nawab Ahmad Nawaz Khan: You will come to know very soon. Our eminent lawyer, gallant Knight, eloquent speaker, great patriot and

[Major Nawab Ahmad Nawaz Khan.]

Leader of the Opposition, Sir Hari Singh Gour, has supported the Bill and written in quite clear words:

"We do not propose that any amendment should be made in the Bill and we recommend that it be passed as introduced."

I say we should accept the Bill as it is because such an eminent lawyer has not found any defect in that in any way, except that today he very diplomatically and cleverly wanted to clear up clause 4, to which the Honourable the Law Member has given a proper and clear reply, satisfying all objections, criticisms and doubts that could arise legally in the minds of his party people, though I believe that a man of his experience knew very well that there was nothing legally wrong in clause 4. But the reply he received convinced all of us. In this question there are two aspects; one is the political and the other is the legal. So far as I can understand in the legal aspect there remains nothing more to be cleared up. As far as I know, the Law Member is himself a Bengali; he has full sympathy for his own province, not less sympathy than any young or old man who is now criticising the Bill with a patriotic view. He does not like that his countrymen should be treated severely or harshly; the Bill is not intended to loot or shoot the people there—the Bill to which the Law Member has subscribed. We all have come here not for a tug of war—one party on one side and the other party on the other—but we have gathered here for the good of the country and every Member will agree to that . . . .

Sardar Sant Singh: Then are you prepared ever to vote for the popular party?

Mr. President: Order, order.

Major Nawab Ahmad Nawaz Khan: I will vote with you very soon if I see that the popular party is on the side of justice. We have all come here to do good to the country, and the good of the country depends upon law and order. (*An Honourable Member*: "No, no.") Well, whether some Members smile or laugh, the fact remains that no country can make any progress without law and order. (*An Honourable Member*: "There is plenty of evidence of it in his own province today.") For the sake of law and order we should all try and sympathise with our fellow men. But law and order depend upon good laws of the country and their proper administration. Sometimes there may be mistakes committed in the proper administration of the laws, but for that the laws are not to be blamed, but it is the persons making such mistakes in administering the laws who should be held responsible. If some people find that a particular law has been wrongly administered by a particular officer, then the law is not to be blamed, but it is the officer who should be blamed, and you can certainly try and change the man; but you cannot blame the law. My Honourable friend, Sardar Sant Singh, in the course of his speech, referred yesterday to suppressive laws and progressive laws, but I must point out that suppressive laws are the real life of the progressive laws.

An Honourable Member: No, no.

Major Nawab Ahmad Nawaz Khan: Yes, I am telling you so quite

Mr. President: The Honourable Member should address the Chair.

Major Nawab Ahmad Nawaz Khan: Without suppressive laws, which are really the life of society, no Government can exist. It is only suppressive laws which can control crimes. If you give full liberty to people, and if you impose no control on crimes, then today in Delhi the people will deprive you of your motor cars, ladies will have no honour, there will be no safety for anybody, and society will not be worth living at all. It is not the progressive laws alone that have maintained society, but it is the suppressive laws. Even in religion you will find that it is the suppressive laws that make you control yourself. The first thing which you are ordered to do is to control vices and bad passions; that is the genesis of the suppressive laws. A doctor may give a stimulating medicines when a man is weak, but when he has fever, he will give him only a sedative and not a stimulant. It is not always that you want something like a stimulant for a man. I am not in favour of such laws which may give any person complete licence to shoot anybody he wants to. Therefore, we all have come here to give support to the Government to suppress the terrorist movement, anarchy and chaos in the country, and this fact cannot be disputed by any Member of the House.

The only objection now to the acceptance of this Bill is that some Bengali friends of mine have raised an objection that detenus should not be subjected to unnecessary hardships by their transfer to other provinces where they will not get the same kind of food and other things, but the Honourable the Law Member has clearly and very sympathetically explained this morning and he has also given an assurance that this object can be achieved by framing suitable rules and regulations, or by approaching the executive officers of the Government.

Now, Sir, there are two points in this, one is a question of principle and the other is the legal and political aspect. We all agree, so far as my knowledge goes, and what I have concluded from the numerous speeches we have heard on the subject, to the principle of the Bill, but the only objection of some of my Bengali friends is that they are afraid that perhaps under this Bill the detenus might be deprived of their ordinary comforts to which they are accustomed in Bengal if they are transferred from Bengal. But we must understand one thing. These jails are not His Majesty's charitable hostels where the detenus can have such comforts as we have in the Western Hostel. (*An Honourable Member*: "Then why do you invite them?") If these people are afraid of so-called torture, discomfort or other troubles in jails, then they should not resort to such things as would bring them under the purview of the criminal law, but the Honourable the Law Member has very sympathetically explained the whole position and has also given an assurance in the matter. So on the question of principle I do not see any difference of opinion among the Honourable Members here, except that there seems to be a lingering doubt in the minds of some that the detenus, will not be treated properly and their comforts, while under detention, will not receive sufficient attention. But since we have heard from these two eminent Indian gentlemen of repute, learning and vast experience, I mean the Honourable the Law Member and Sir Hari Singh Gour, that they will try their best to safeguard the interests

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we must provide a Bengali cook. Well, Sir, I do not think all these discussions need have taken place in a Legislature. They may very well have taken place at a meeting of experts in cookery. We are not here to prescribe the quantity of spices or of chillies that should be put into the curries of these young men. We have got a more exalted duty—at least, that is my conception of the functions and duties of the Legislature.

Mr. K. Ahmed: These questions were raised by your side.

Mr. K. C. Neogy: I have not spared my side either.

There is one little question that has been troubling me. The Honourable the Home Member, in placing before us the motion for reference of this measure to the Select Committee, among other things, stated that Government were dealing with very dangerous characters, and the more desperate among them must be removed from Bengal. There is another class of dangerous characters—those who have not been detained merely on suspicion, merely on the report of spies, but who have been convicted by courts of law, after proper trial, of terrorist crimes, people who have, for instance, been sentenced to long terms of imprisonment on account of their participation in what are called political dacoities or attempts at murder even. Does my Honourable friend the Home Member mean to suggest that, though these people under existing circumstances serve out their long terms of imprisonment in Bengal, there is no danger to be apprehended on account of their presence in the various Bengal jails, but people against whom there has been no specific charge, alone should be chosen for the purpose of being deported from Bengal? That is a point to which I should like to have an answer from the Honourable the Home Member. What is really behind this move—that is what I want to know. These men have had no opportunity of meeting the charge that is brought up against them. The so-called enquiry by two judges is no more and no less than a mere farce, as my Honourable friend Mr. S. C. Mitra has explained from his own personal experience. Now, these people are detained on the strength of reports of spies and informers. The Honourable Member knows as well as anybody in this House that the public at large never believe in the guilt of these persons, mainly because of the type of people who serve the Government as spies and informers. The general belief is that most of the so-called evidence, which nobody has ever any opportunity of looking at, is mostly concocted. My Honourable friend Mr. Biswas stated that he does not question the *bona fides* of the Government. But he says "What about the agents you employ, are they reliable?". Now, take the Government of Bengal itself. In connection with the Hijli incidents, is it not a fact that the report of the Inquiry Committee disproved in certain points the correctness of the official communiqué that was issued by the Government of Bengal in connection with the incidents that happened at Hijli; and is it not further a fact that the Commandant in charge of the detention camp plainly stated before the Inquiry Committee that the communiqué was based on nothing that had been supplied either by him or anybody else who had anything to do with the detention camp? Here is an instance of the concoction of an official communiqué by some fiction writers in the Bengal Secretariat.

The Honourable Sir James Crerar: I must point out to the Honourable Member that the actual facts of the case do not bear the construction he puts upon it. I understand his allegation to be that the Inquiry Committee found that certain statements published in the first communiqué which merely purported to give the information received up to that time, were inconsistent with the conclusions arrived at after a full and careful examination. This affords no ground for the suggestion that it was concocted.

Mr. K. C. Neogy: I would have been surprised if my Honourable friend had not interrupted me on that point, but the fact remains that the only people, who could possibly have supplied information to the Government of Bengal before that communiqué was issued, definitely stated that the communiqué was not based upon facts as they were represented to the Government of Bengal. The Honourable Member cannot get away from this fact. This is the kind of Local Government under which we have to live. Can my Honourable friend Mr. Biswas expect any improvement in the quality of the information supplied by the spies and informers against these young men on the strength of which their liberty is taken away for an indefinite period?

There is one other point. We have heard a good deal about assurances, undertakings and things like that. Now this Bill, it must be remembered, would have a life for 5 years. On all accounts we are going to have a change in the constitution before the life of this particular Bill expires, and if we are going to have provincial autonomy of the type desired, at least in the secrecy of their hearts, by the official Members opposite, if we get a constitution of that type, I do not know whether there will be any room for any Legislature at the centre at all. I do not know whether my Honourable friend Mr. Heathcote is not already casting longing eyes upon this building, because its architecture, I am told, with very slight alteration would adapt it for being used as an oil tank. (Laughter.) Now, Sir, supposing there is a place for a Legislature at the centre in the scheme of provincial autonomy, as contemplated by the Government in the secrecy of their hearts, and supposing a question were put by my Honourable friend, Sir Cowasji Jehangir, if he does not become the Prime Minister of Bombay by that time, saying, "This is the undertaking given by the Government in the year 1932", whoever would take up the position now occupied by my Honourable friend the Home Member would get up and say, "You have provincial autonomy. How are you going to enforce these undertakings upon an autonomous provincial administration?". Similar has been the answer to many questions in the past, even though the provinces do not enjoy autonomy, and that I am sure is going to be the answer which the Honourable Sir James Crerar's successor will give in future when any questions are put on the subject from this side of the House. Therefore I say to the House, "Do not delude yourself into thinking that whatever assurances may be given from that side of the House are going to be carried out in practice".

Mr. C. C. Biswas: My friend need not worry about that—the new Indian De Valera might sweep aside all such laws altogether.

Mr. K. C. Neogy: I am thinking of a constitution in which there may or may not be room for a central Legislature. My Honourable friend's imagination has been running riot. I do not know what is going to happen to him if he expresses views like this. He might

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