

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

Volume III, 1933

*(13th March to 30th March, 1933)*

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FIFTH SESSION  
OF THE  
FOURTH LEGISLATIVE ASSEMBLY,  
1933



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1933

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## Legislative Assembly.

### *President :*

THE HONOURABLE SIR IBRAHIM RAHIMTOOLA, K.C.S.I., C.I.E. (Upto 7th March, 1933.)

THE HONOURABLE MR. R. K. SHANMUKHAM CHETTY. (From 14th March, 1933.)

### *Deputy President :*

MR. R. K. SHANMUKHAM CHETTY, M.L.A. (Upto 13th March, 1933.)

MR. ABDUL MATIN CHAUDHURY, M.L.A. (From 22nd March, 1933.)

### *Panel of Chairmen :*

SIR HARI SINGH GOUR, KT., M.L.A.

SIR ABDUR RAHIM, K.C.S.I., KT., M.L.A.

SIR LESLIE HUDSON, KT., M.L.A.

MR. MUHAMMAD YAMIN KHAN, C.I.E., M.L.A.

### *Secretary :*

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

### *Assistants of the Secretary :*

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

RAI BAHADUR D. DUTT.

### *Marshal :*

CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

### *Committee on Public Petitions :*

MR. R. K. SHANMUKHAM CHETTY, M.L.A., *Chairman.* (Upto to 13th March, 1933.)

MR. ABDUL MATIN CHAUDHURY, M.L.A., *Chairman.* (From 22nd March, 1933.)

SIR LESLIE HUDSON, KT., M.L.A.

SIR ABDULLA-AL-MAMÜN SUHRAWARDY, KT., M.L.A.

MR. B. SITARAMARAJU, M.L.A.

MR. C. S. RANGA IYER, M.L.A.

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## LEGISLATIVE ASSEMBLY

Monday, 13th March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Deputy President (Mr. R. K. Shannukham Chetty) in the Chair.

### QUESTIONS AND ANSWERS.

#### POST OF SUPERINTENDENT OF POST OFFICES, SIND AND BALUCHISTAN POSTAL CIRCLE.

713. \*Mr. Lalchand Navalrai: (a) Will Government be pleased to state when they propose to call for nominations for the Superintendent's post for the Sind and Baluchistan Postal Division?

(b) Do Government propose to consider the claims of Sindhis?

Sir Thomas Ryan: As regards part (a) of the question, the Honourable Member's attention is invited to the reply given to part (a) of Mr. Muhammad Muazzam Sahib Bahadur's starred question No. 592 on the 22nd September, 1932, to which Government have at present nothing to add, and as regards part (b) to the reply given to part (c) of Mr. Maswood Ahmad's starred question No. 1493 on the 28th November, 1932.

#### PROPORTION OF SINDHIS IN THE OFFICE OF THE DIRECTOR OF POST OFFICES, KARACHI.

714. \*Mr. Lalchand Navalrai: (a) Will Government be pleased to state what steps have been taken to keep the proper proportion of Sindhis in the office of the Director of Post Offices, Karachi?

(b) Will Government be pleased to give the number of Sindhi officials who applied for transfer in the Director's Office (before the circular separating the circle gradation list was issued by the Director's Office)?

(c) Will Government be pleased to state the reasons for refusal to these officials?

The Honourable Sir Frank Noyce: (a) According to the existing orders which were originally laid down in the year 1926, recruitment to the subordinate postal service is made from among persons with local domicile. Since the issue of these orders only 6 persons were recruited for the Director's Office, five of whom are Sindhis and the sixth a domiciled resident of Karachi.

(b) and (c). Government have no information. The posting of officials to particular offices is entirely within the competence of the Head of the Circle.

**CONVICTIONS IN THE NORTH-WEST FRONTIER PROVINCE IN CONNECTION WITH THE RED SHIRT MOVEMENT.**

715. **\*Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state the number of persons in the North-West Frontier Province who were convicted during the regime of the Central Government in connection with the disturbances caused by the Red Shirt movement and are still in jail?

(b) How many of them are undergoing their sentences outside the North-West Frontier Province?

(c) How many of them are in A class and how many in B class?

**The Honourable Sir Harry Haig:** I am making enquiries, and a statement will be laid on the table in due course.

**Mr. M. Maswood Ahmad:** Have Government seen the article published in the *National Call* on the 8th March, about the prisons in the North-West Frontier Province, and will Government be pleased to enquire about those allegations mentioned by a non-official visitor of the jails?

**The Honourable Sir Harry Haig:** I am afraid I have not seen the article referred to, and if the Honourable Member wishes to put a question about it, I would suggest that he should give the ordinary notice.

**Mr. Gaya Prasad Singh:** Is it not a fact that a great deal of dissatisfaction is said to exist in view of the bad treatment which the political prisoners are given in the North-West Frontier Province?

**The Honourable Sir Harry Haig:** No, Sir, I am not aware of it, but if the Honourable Member will put down a question, I will look into the matter.

**Mr. Gaya Prasad Singh:** Are Government aware that an adjournment motion was going to be moved in the Legislative Council of the North-West Frontier Province on this very question, but it was disallowed if I remember aright.

**The Honourable Sir Harry Haig:** I am afraid, I have not seen that in the newspapers.

**PARTIAL SITTINGS OF SUBORDINATE CIVIL COURTS IN BENGAL ON FRIDAYS.**

716. **\*Mr. C. C. Biswas:** (a) Is it a fact that the Calcutta High Court has recently, with the approval of the Governor General in Council, issued a circular to all subordinate Civil Courts in Bengal, directing that the sittings of all such Courts shall in future be suspended on every Friday from 12-30 to 2 P.M. for Jumma prayers?

(b) If so, will Government be pleased to state why similar orders have not been issued for the Criminal Courts as well?

(c) Are Government prepared to suggest to the said High Court the desirability of following a similar rule for itself, or in the alternative, that the High Court might suspend its sittings altogether on Fridays, and sit on Saturdays instead?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) The Government of India understand that similar orders were issued by the Government of Bengal in respect of Criminal and Revenue Courts in 1925.

(c) The procedure in the High Court is a matter for the Court itself to settle.

**LEGAL ASSISTANCE TO THE MEERUT CONSPIRACY CASE PRISONERS FOR APPEAL TO THE HIGH COURT.**

717. **\*Mr. N. M. Joshi:** (a) Will Government be pleased to state whether they propose to offer competent legal assistance to the Meerut Conspiracy Case prisoners to enable them to make an appeal to the High Court against the decision of the Sessions Judge?

(b) If so, what will be the form and the extent of the assistance?

**The Honourable Sir Harry Haig:** (a) No.

(b) Does not arise.

**Mr. N. M. Joshi:** May I ask why Government do not propose to give legal assistance to the Conspiracy Case prisoners?

**The Honourable Sir Harry Haig:** I think, Sir, that it would be a course for which, as far as I know, there is no precedent.

**Mr. N. M. Joshi:** Are Government aware that many of the accused were given legal assistance in the course of trial before the Sessions Judge?

**The Honourable Sir Harry Haig:** It is perfectly true, Sir, that two of them—I think only two—were given legal assistance during the trial. One of these, I believe, was acquitted, and I am not sure about the other. But I would ask the Honourable Member to consider that when the original trial is over and persons have been convicted, it would be improper on the part of Government to give them assistance in appealing against the decision of one of His Majesty's Courts.

**Mr. N. N. Anklesaria:** Has any of the prisoners asked for legal assistance from Government?

**The Honourable Sir Harry Haig:** No, Sir. I think the only request has come from my Honourable friend, Mr. Joshi.

**Mr. N. M. Joshi:** In view of the fact that this trial also is of an unusual character, will the Government of India reconsider the question of giving legal assistance to them, although it is an unusual procedure?

**The Honourable Sir Harry Haig:** No, Sir; I am afraid, I cannot hold out that hope.

**DISCHARGE NOTICES SERVED ON THE STAFF OF THE AHMEDABAD-PARANTIJ AND AHMEDABAD-DHANDHUKA SECTIONS OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.**

718. \***Mr. N. M. Joshi:** (a) Is it a fact that the staff working in Ahmedabad-Parantij and Ahmedabad-Dhandhuka sections of the Bombay, Baroda and Central India Railway have been served with discharge notices with effect from the 18th April, 1933?

(b) If so, will Government be pleased to state the number of staff so affected and on what terms?

(c) What principles have been followed in selecting the staff for transfer to G. B. S. Railway?

(d) Are Government aware that there is considerable dissatisfaction among the staff on account of the arbitrary method of the selection of the staff for transfer to a different Railway?

(e) Will Government be pleased to state what steps they propose to take to safeguard the interests of the staff?

(f) Are Government prepared to see that arrangements are made to absorb such staff on the Bombay, Baroda and Central India Railway, if they are unwilling to go over to the G. B. S. Railway?

(g) Are Government aware that some of the staff proposed to be transferred are not working on the G. B. S. section?

**Mr. P. R. Rau:** Government have no information on the specific questions raised, but it is a fact that the Gaekwar's Mehsana Railways, which were hitherto being worked by the Bombay, Baroda and Central India Railway, will be taken over by the Baroda Durbar on the 1st April, 1933, and naturally certain staff, who are at present employed by the Bombay, Baroda and Central India Railway, will be surplus unless they are taken over by the Baroda Durbar. I am sending a copy of the Honourable Member's question to the Agent of the Bombay, Baroda and Central India Railway to consider the suggestions made therein and to take such action as may be necessary, but I have no doubt that the Bombay, Baroda and Central India Railway have taken all possible measures to induce the Baroda Durbar to take over as many as possible of the staff along with the Railway.

**RAILWAY OFFICERS FOR WHOM A SUPPLEMENTARY DEMAND FOR GRANT WAS OBTAINED FROM THE LEGISLATIVE ASSEMBLY.**

719. \***Mr. Gaya Prasad Singh:** (a) Will Government kindly give the names of those Railway officers and the amount of excess leave salary given to each of them, for whom a Supplementary Demand for Grants was obtained from this House on the 28th February, 1933 (vide Supplementary Demands for Grants for expenditure of the Central Government on Railways for 1932-33, February 1933, page 1)?

(b) Will Government kindly give the names of officers whose salaries are voted taking the place of officers, whose salaries are non-voted? Who are the two classes of officers, their names, and to what posts were they employed [vide the paper referred to in part (a) above]?

**Mr. P. R. Rau:** I lay on the table two statements giving the information required.

*Statement showing names of officers whose salaries are voted taking the place of officers whose salaries are non-voted.*

| Post.                     | Officer for whom provision was made in the Budget non-voted. | Officer who actually held the post—voted.                                                                                                     |
|---------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Director of Traffic       | Mr. C. P. Colvin                                             | Mr. F. D'Souza from the 28th May, 1932, to 14th October, 1932.                                                                                |
| Director of Establishment | Mr. J. C. Highet                                             | Mr. P. B. Chandwani from the 30th March 1932 to 30th November, 1932, and Mr. Kirkness from the 1st December, 1932, to the 2nd February, 1933. |
| Secretary                 | Mr. J. F. Blackwood                                          | Mr. L. H. Kirkness from the 3rd February, 1933.                                                                                               |

*Statement showing leave salary provided in the Budget and Revised Estimates for 1932-33 of officers whose salaries are voted.*

| Names.                 | Budget provision 1932-33. | Revised estimate based on actuals, 1932-33. |
|------------------------|---------------------------|---------------------------------------------|
| 1. Mr. F. D'Souza.     | 13,000                    | 16,000                                      |
| 2. Mr. G. S. Rego.     | 1,200                     | 2,400                                       |
| 3. Mr. H. W. C. Smith. | 400                       | 700                                         |
| 4. Mr. W. Daniel.      | ..                        | 700                                         |
| Total                  | 14,600                    | 19,800                                      |

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member kindly state whether any of the excess leave salary as asked for in the Supplementary Demands for Grants is due to officers who are at present in England and whose appointments are being "held in abeyance"?

**Mr. P. R. Rau:** May I know, Sir, which of the officers my Honourable friend is referring to?

**Lieut.-Colonel Sir Henry Gidney:** Surely the Honourable Member knows who these are. Can the Honourable Member tell me whether or not it is a fact that these demands for excess leave salary includes those officers whose appointments are still held in abeyance? The Honourable Member knows that on all State Railways there are many such appointments still held in abeyance which are claimed to be measures of retrenchment?

**Mr. P. R. Rau:** I think I had better read out the names from the statement that I have placed on the table:

| Names.                          | Budget provision, 1932-33. | Revised estimate based on actuals, 1932-33 |
|---------------------------------|----------------------------|--------------------------------------------|
| 1. Mr. F. D'Souza . . . . .     | 13,000                     | 16,000                                     |
| 2. Mr. G. S. Rego . . . . .     | 1,200                      | 2,400                                      |
| 3. Mr. H. W. C. Smith . . . . . | 400                        | 700                                        |
| 4. Mr. W. Daniel . . . . .      | ..                         | 700                                        |
| Total . . . . .                 | 14,600                     | 19,800                                     |

None of those posts have been held in abeyance.

**Mr. Gaya Prasad Singh:** Is it with reference to (a) or (b)?

**Mr. P. R. Rau:** With reference to (b), the officers for whom the provision was made in the Budget were Messrs. Colvin, Hight and Blackwood, and the officers who actually held the post for the whole or part of the time were Messrs. D'Souza, Chandwani and Kirkness.

**Lieut.-Colonel Sir Henry Gidney:** With reference to the reply given by the Honourable Member about the officers who are on leave, do their leave salaries come to a total of Rs. 30,000?

**Mr. P. R. Rau:** The excess was about Rs. 5,000, Sir.

#### ALLEGED CALLOUSNESS OF THE EAST INDIAN RAILWAY AUTHORITIES.

720. **\*Mr. M. Maswood Ahmad** (on behalf of Mr. D. K. Lahiri Chaudhury): With reference to the last part of the reply to starred question No. 1370 put on the 22nd November, 1932, will Government kindly state:

- whether it is a fact that the doors of a carriage or of a wagon, standing on a siding line which is close to the main line, remaining wide open, is dangerous, especially at night;
- whether it is a fact that there are some sort of prohibitory orders on the railway officials against this; and
- whether it was due to the negligence and carelessness of the officials concerned that the doors of the wagon were not kept closed?

**Mr. P. R. Rau:** (a) An open wagon door is only one of the possible dangers to which passengers expose themselves by putting any portions of their body outside the window.

(b) I believe it is a general rule that doors of wagons should be fastened.

(c) An open wagon door does not necessarily imply negligence or carelessness on the part of any railway official. For instance, it is possible that the door of a cattle wagon in a running train may be temporarily opened by the cattle attendant.

#### ALLEGATIONS AGAINST THE SUPERINTENDENT OF EDUCATION, DELHI, AJMER-MERWARA AND CENTRAL INDIA.

721. **\*Mr. M. Maswood Ahmad:** Has the attention of Government been drawn to an article published in the *Daily Siyasat*, Lahore, No. 3, dated the 4th January, 1933, regarding the present Superintendent of Education, Delhi, Ajmer-Merwara and Central India and his activities?

**Mr. A. G. Clow** (on behalf of Mr. G. S. Bajpai): Yes.

#### DUTIES OF THE SUPERINTENDENT OF EDUCATION, DELHI.

722. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that in addition to the duties as Superintendent of Education, he has been performing the following works:

- Secretary to the Agent to the Governor General in Central India for Education.
- Chairman of the Board of Secondary Education, Delhi.
- Member of the University of Delhi.
- Member of the Agra University.
- Member of the Board of High School and Intermediate Education, Rajputana (Ajmer-Merwara).
- Examiner of the Board of Secondary Education, Delhi.
- Examiner of the Delhi University.
- Examiner of the Punjab University.
- Examiner of the Agra University.
- Examiner of the Board of High School and Intermediate Education, Ajmer.
- Examiner of the Commercial Diploma Examination, Delhi, which is conducted by the Superintendent of Education himself.
- Member of the Delhi Municipal Committee.
- Member of the Notified Area Committee, Delhi.
- Member of the Municipal Committee, New Delhi.
- Secretary to the Chief Commissioner, Ajmer-Merwara, for Education.
- Correspondent of some newspapers?

(b) Will Government kindly state what other responsible duties have been entrusted to the Superintendent of Education by the Government of India or by local authorities and whether all these undertakings or duties referred to in part (a) above have been entrusted by the Government of India, or their permission was obtained? If not, why not?

(c) If replies to part (a) (i) and (xv) be in the affirmative, or that his appointment as Secretary for Education in Ajmer-Merwara is under consideration, will Government kindly state:

- (1) what the qualifications of the Superintendent of Education are; whether he is a first or second class M.A.;
- (2) whether he is a man of the Indian Civil Service or Indian Educational Service; and
- (3) whether before the appointment of the present Superintendent of Education, there had been any post as "Secretary for Education" in the two centrally administered areas, namely, Ajmer-Merwara and Central India; if not, what the special circumstances are which necessitated the creation of these posts?

**Mr. A. G. Clow** (on behalf of Mr. G. S. Bajpai): Enquiries have been made and a reply will be furnished to the House as soon as possible.

**Mr. Gaya Prasad Singh**: Is it not a fact that in many of the Provinces, the Directors of Public Instruction hold many of these offices *ex-officio* which are enumerated in this question?

**Mr. A. G. Clow**: I do not think it is likely that they hold many of the identical offices such as membership of the Delhi Municipality, etc., but it is not improbable that they hold some similar posts.

**Mr. M. Maswood Ahmad**: While laying the information on the table, will Government please lay also the information whether any clerk in the offices of the Superintendent of Education has got higher qualification than the Superintendent of Education himself?

**Mr. A. G. Clow**: I must ask, on behalf of my Honourable friend, for separate notice of that question.

#### JUSTIFICATION FOR THE APPOINTMENT OF A SEPARATE SECRETARY IN CHARGE OF EDUCATION IN CENTRAL INDIA.

723. **\*Mr. M. Maswood Ahmad**: What is the justification for the appointment of a separate Secretary in charge of Education in Central India? Is it a fact that there is a very small number of institutions, almost all of which are managed by local or private bodies?

**Mr. H. A. F. Metcalfe**: The required information is being obtained and will be given to the House as soon as it is received.

#### EXTENSIONS OF THE PROVISIONS OF THE PROVIDENT FUNDS ACT TO THE CALCUTTA UNIVERSITY EMPLOYEES.

724. **\*Mr. C. C. Biswas**: (a) Is it a fact that in 1925 the Government of India suggested to the Government of Bengal that they would be prepared to extend the provisions of the Provident Funds Act to the Provident Fund established by the Calcutta University for its employees, if the Act incorporating the said University was amended so as to include a provision enabling the Governor General in Council to take the necessary action in this behalf?

(b) Is it not a fact that the Provident Funds Act, XIX of 1925, has since been passed, and this Act, subsequently amended in 1930, renders an amendment of the Calcutta University Act of Incorporation on the lines previously suggested no longer necessary? Is it not competent now to the Government of India, by the issue of a notification under sub-section (3) of section 8 of the present Provident Funds Act, to extend the benefits of that Act to the Provident Fund of that University?

(c) Will Government be pleased to state if they are now prepared to issue such a notification, adding the name of the Calcutta University to the list of institutions specified in the schedule to the said Act? If not, what impediments still stand in the way?

(d) Is it not a fact that a revised set of Provident Fund Rules has been framed by the Calcutta University, which have received the approval of the Government of Bengal, and are not Government satisfied that these rules are such as would justify the issue of a notification?

(e) Is it not a fact that a college affiliated to a University established by Statute is already included in the Schedule to the Act?

(f) Will Government state if they have so far received any application from any such college in Bengal for the issue of a notification under sub-section (2) of section 8 in its favour? If so, has any such notification been issued; and, if not, why not?

(g) Are Government prepared to consider the desirability of issuing such a notification at an early date, including all such colleges as have already applied for it?

**Mr. A. G. Clow** (on behalf of Mr. G. S. Bajpai): (a)–(g). Certain information have been called for and a reply will be laid on the table of the House in due course.

#### STOPPAGE OF INCREMENTS OF RESERVE CLERKS IN THE DELHI GENERAL POST OFFICE.

725. **\*Mr. Uppi Saheb Bahadur**: (a) Will Government be pleased to state whether the Director-General of Posts and Telegraphs ordered the withholding of payment of the arrears due to the Reserve Clerks for the period between the dates of failure of such Reserve Clerks to pass the confirmation examination and the date of their passing subsequently?

(b) If so, will Government be also pleased to state whether it is a fact that the Deputy Accountant General, Posts and Telegraphs, Delhi, has stopped the increments of all the Reserve Clerks attached to the Delhi General Post Office, indiscriminately including those who had passed the confirmation examination at the first chance as well as those who had since then been promoted as clerks and were no longer Reserve Clerks?

(c) If so, will Government be pleased to state the reasons for wholesale stoppage of increments and whether the Reserve Clerks all over India including Reserve Stores in the Delhi R. M. S. have been treated alike?

(d) If not, what are the reasons for discriminating the Reserve Clerks in the Delhi General Post Office?

(e) Will Government be also pleased to state how long the present and late Reserve Clerks of the Delhi General Post Office have to wait for their increments?

**Sir Thomas Ryan:** (a) to (e). According to rules in the Posts and Telegraphs Manual, framed by the Director General, a reserve clerk is not entitled to any increment of pay for the period between the date of his failure at the confirmation examination and the date of his passing it subsequently. These rules were challenged by the audit authorities as being at variance with the Fundamental Rules; and revised rules regarding the increments of reserve clerks during their probationary period were thereupon issued. The question of the application of the revised rules to the case of reserve clerks, with reference to the dates of their confirmation, is still the subject of correspondence between the Director General and the audit authorities and is expected to be settled shortly. Meanwhile, the payment of increments to reserve clerks generally has been held in abeyance pending a final decision. Government have, however, no precise information as to how reserve clerks in individual offices have been affected by the revised rules.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House how long this matter has been under consideration?

**Sir Thomas Ryan:** I regret I am not in a position to give that information.

LIST OF "SCHEDULED CASTES" PUBLISHED IN THE CALCUTTA GAZETTE.

726. { **\*Mr. N. M. Joshi:**  
           **\*Rao Bahadur M. C. Rajah:** } (a) Has the attention of Government been drawn to resolution No. 122A of the Government of Bengal, published in the *Calcutta Gazette*, dated the 19th January, 1933, in which the list of "Scheduled Castes", who are socially and politically backward, is given?

(b) Are Government aware that certain primitive or aboriginal tribes are included in the list referred to above?

(c) Are Government aware that as per section 283 of the Report of the Indian Franchise Committee, Volume I, no primitive or aboriginal tribes should be included in the term "Depressed Classes" now called by the Bengal Government "Scheduled Castes"?

(d) Is not this inclusion against the Communal Settlement arrived at?

**The Honourable Sir Brojendra Mitter:** I have seen the Local Government's resolution referred to. I observe that the list of scheduled castes was published for criticism and that it was open to any public body, caste association, or individual to submit any representation with reference to the inclusion or non-inclusion of any caste or castes in the list.

**Mr. C. C. Biswas:** Is it not a fact that in consequence of the Poona Pact, in Bengal they are trying to manufacture Depressed Classes where there were none?

**The Honourable Sir Brojendra Mitter:** I am not aware of that.

**Mr. B. Das:** Is it not a fact that it is the Government of Bengal that is manufacturing these Depressed Classes and not the people's representatives?

**The Honourable Sir Brojendra Mitter:** No, Sir.

**Mr. B. Das:** Is it not a fact that the Government of Bengal have recently notified a few castes as Depressed Classes and that representatives of these classes have been resenting that they have been so notified?

**The Honourable Sir Brojendra Mitter:** I refer the Honourable Member to the resolution itself. It says that the list is not final and that it is open to criticism, and criticism has been invited by the Government of Bengal. My information is that certain criticism has already been obtained by the Government of Bengal. The Government will consider all criticisms and then they will make their final list.

**Mr. B. Das:** Did the Government of Bengal consult public opinion before they condemned certain high castes as Depressed Classes and publicly notified the same?

**The Honourable Sir Brojendra Mitter:** I would again refer the Honourable Member to the resolution itself and, with your permission, Sir, I will read only one sentence from it. Paragraph 5 of the resolution says this:

"Before making the list final, however, the Local Government have decided to publish it for criticism. It is to be noted that the list includes not only Hindu castes, but also some groups of aboriginal derivation now resident in Bengal which profess tribal or mixed religion."

In paragraph 6, it is said:

"Any public body, caste association or individual desiring to submit any representation regarding the inclusion or non-inclusion of any caste or castes in the list of scheduled castes should submit it to the Reforms Office of the Government of Bengal in the appointment department."

Therefore, there is no bar either to any individual or any association against criticising the inclusion or non-inclusion of any caste.

**Mr. C. C. Biswas:** Will the Honourable the Law Member kindly state what is the meaning of that expression "mixed religion" in the sentence he read out?

**The Honourable Sir Brojendra Mitter:** I am not in a position to answer that question.

**Mr. K. C. Neogy:** Have the Government of India issued any instructions to the different Provincial Governments to observe certain uniform standards for the purpose of determining as to whether any particular class should be treated as Depressed Class?

**The Honourable Sir Brojendra Mitter:** Not that I am aware of. On the contrary, it appears that the matter was left to Local Governments to make their own classification.

**Mr. K. C. Neogy:** Do I take it then that the Government of India will have no final say in this matter and that different provinces may adopt different standards for the purpose of classification?

**The Honourable Sir Brojendra Mitter:** That is my understanding of the situation.



**HUNGER-STRIKE OF STATE PRISONER MR. TRAILOKYA NATH CHAKRAVARTY,  
DETAINED IN THE CANNANORE CENTRAL JAIL.**

727. \***Mr. K. C. Neogy** (on behalf of Mr. S. C. Mitra): (a) Is it a fact that Trailokya Nath Chakravarty, a Bengali detenu confined in the Cannanore Central Jail in the Madras Presidency, is on hunger-strike since February 15th?

(b) If so, are Government aware that the detenu in question resorted to this method of protest on account of the provocative and insulting behaviour of the Superintendent of the Jail in question?

(c) Do Government propose to inquire into the facts of this case and deal with the Superintendent, if the allegations of insult and provocation against him are found to be correct?

(d) Do Government propose to issue general instructions to Jail Superintendents where State Prisoners are incarcerated that detenus should not be treated like ordinary prisoners?

**The Honourable Sir Harry Haig:** The State Prisoner went on hunger-strike on the 15th February alleging that he was insulted by the Jail Superintendent. The allegation is unfounded and Government do not propose to take any action in the matter. The hunger-strike was abandoned on the 4th March.

**Mr. Gaya Prasad Singh:** What is the allegation to which reference has been made in the course of the reply?

**The Honourable Sir Harry Haig:** The incident appears to have been peculiarly trivial. There was some little dispute about a newspaper—whether a newspaper was being delivered to the State Prisoner or not. I gather that actually he was not entitled to it. But when he went to discuss the matter with the Jail Superintendent, he appears to have brought his umbrella into the room, and sat down; and the Jail Superintendent requested him to take his umbrella outside, and that, as far as I understand, is the extent of the alleged insult.

**PROPOSED BOUNTY BY THE AUSTRALIAN GOVERNMENT FOR THE EXPORT OF  
WHEAT.**

728. \***Khan Bahadur Haji Wajihuddin** (on behalf of Mr. Fazal Haq Piracha): (a) Will Government be pleased to state if they are aware that the Australian Government have proposed to pay or are paying a sort of bounty for the export of wheat in Australia?

(b) If so, are Government in a position to state the manner in which the bounty is paid or has been proposed to be paid? How much does the bounty reckon per maund if calculated in rupees?

(c) Have Government considered the effect this bounty will have upon the price of the imported Australian wheat in India?

(d) Will Government be pleased to state if they have considered the effect this bounty will have on the import duty already imposed and proposed to be extended for the next year on the imported Australian wheat?

(e) If the answers to parts (c) and (d) above be in the affirmative, will Government be pleased to state what will be the effects?

(f) Will Government be pleased to state if they have considered whether, in the presence of a bounty given by the Australian Government to wheat exporters of their country, the proposed import duty on Australian wheat will have its full effect in raising the price of the Indian wheat in Indian markets in competition with the Australian wheat?

**The Honourable Sir Joseph Bhore:** (a) and (b). The Australian Wheat Bounty Act of 1931 has lapsed. Under the Federal Government's Financial Relief Act, 1932, a grant of £2 million (Australian) has been made available in varying amounts to the States of the Commonwealth to be applied for the benefit and assistance of wheat growers by:

- (i) reducing the cost of production of wheat (including the cost of internal transport and marketing); and
- (ii) providing for the needs of individual wheatgrowers such as the payment of allowances towards the cost of sowing and harvesting the crop.

It is understood, however, that this Act precludes the Local Governments of the States from distributing the sums of money placed at their disposal by way of bounty on production.

(c) to (f). As no such bounty, either on export or production, is now given by the Australian Government these parts of the question do not arise.

**Mr. M. Maswood Ahmad:** Are Government aware that other foreign Governments such as Japan and others as well are paying bounties for the export of agricultural products?

**The Honourable Sir Joseph Bhore:** I shall have to make inquiries in regard to that matter.

**Mr. B. Das:** Will the Honourable Member kindly suggest to his colleague, the Finance Member, to take a loan of Rs. 500 crores and give it in bounties to Bombay millowners, hosiery-wallas and the kerosene-wallas and, if a little is left, to give it to the wheat producers?

**The Honourable Sir Joseph Bhore:** My Honourable friend can make the suggestion himself. (Laughter.)

**Mr. M. Maswood Ahmad:** Are Government aware that there is no export duty on agricultural produce in Japan and other foreign Governments?

**The Honourable Sir Joseph Bhore:** There, again, I shall have to make enquiries.

**Sardar Sant Singh:** Will the Honourable Member kindly state what will be its effect upon the prices of wheat in the Punjab as well as in Sind?

**The Honourable Sir Joseph Bhore:** As a matter of fact, I understand that the actual effect has been to reduce the amount of assistance that the Australian wheat grower will now get, as compared with the amount he got under the Australian Bounty Act of 1931.

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**Mr. P. E. Rau:** As regards the second part of my Honourable friend's question, I shall obtain for him the information required.

As regards the first part, it has unfortunately happened that the statutory period of ten days has not been enough to collect all the information required.

**POST OF SUPERINTENDING FOREMEN FOR THE MULTIPLE UNITS SECTION OF THE TRACTION DEPARTMENT OF THE GREAT INDIAN PENINSULA RAILWAY.**

†730. **\*Mr. B. Das:** Will Government please state why permission was accorded to the retention of the post of Superintending Foreman, maximum grade Rs. 850, for the Multiple Units Section of the Traction Department of the Great Indian Peninsula Railway, while a similar post for the Electrical Locomotives Section was considered unnecessary? Is it a fact that the latter section is bigger and more important than the Multiple Units Section?

**RECRUITMENT OF A FOREMAN IN ENGLAND FOR THE DISTRIBUTION SECTION OF THE TRACTION DEPARTMENT OF THE GREAT INDIAN PENINSULA RAILWAY.**

†731. **\*Mr. B. Das:** When superior scale officers were available and recruited in India by the Public Services Commission for the Distribution Section of the Traction Department of the Great Indian Peninsula Railway, will Government please state why in November, 1932, a Foreman for the same section was recruited from England on a five-year contract?

**INDIANISATION IN THE TRACTION DEPARTMENT OF THE GREAT INDIAN PENINSULA RAILWAY.**

†732. **\*Mr. B. Das:** Will Government kindly place before the Assembly figures relating to the number of Indians, Anglo-Indians and Europeans in the officers' and senior subordinate positions in the Traction Department of the Great Indian Peninsula Railway and state whether the policy of progressive Indianisation has been strictly adhered to in making these appointments?

**ILL-HEALTH OF MR. SATINDRA NATH SEN, A POLITICAL PRISONER DETAINED IN THE CAMPBELLPORE JAIL.**

733. **\*Mr. K. O. Neogy** (on behalf of Mr. S. C. Mitra): (a) Are Government aware that Mr. Satindra Nath Sen, a political prisoner from Bengal, now detained in the Campbellpore Jail (near Peshawar), had been suffering for a long time from "Tubercular Bone" and arthritis, when confined in the Darjeeling Jail and that, having no relief from Allopathic treatment, he was allowed treatment by his own physician?

(b) Is it a fact that Ayurvedic medicines did him a lot of good and so he was allowed to take Ayurvedic medicines at different times in different jails?

†For answer to this question, see answer to question No. 729.

(c) Is it not a fact that Mr. Subhas Chandra Bose and some other prisoners, while confined in the Insein Jail in different times, were allowed to use Ayurvedic medicines and bills for the medicines were paid for by the Government?

(d) Is it not a fact that in almost all these cases Government sought the assistance of Kaviraj Shyamadas Vachaspati of Calcutta?

(e) If the reply to part (d) be in the affirmative, will Government be pleased to explain why medicines sent by Kaviraj Shyamadas Vachaspati to Mr. Satindra Nath Sen have not been accepted by the Superintendent of Campbellpore Jail?

(f) Are Government prepared to take necessary steps in the matter to get Ayurvedic medicines from the Kaviraj mentioned?

**The Honourable Sir Harry Haig:** I am making inquiries and I will lay a statement on the table in due course.

**RENT CHARGED FROM THE CLERKS OF ATTACHED OFFICES OF THE GOVERNMENT OF INDIA FOR QUARTERS IN NEW DELHI.**

734. **\*Mr. K. C. Neogy** (on behalf of Mr. S. C. Mitra): Is it a fact that the Government of India have reduced the Delhi camp allowance of clerks in the Attached Offices of the Government of India by 10 per cent. without any corresponding reduction in the rent charged from them for Government quarters in New Delhi? Do Government propose to consider the question of reducing the rent correspondingly?

**The Honourable Sir Frank Noyce:** The Delhi camp allowance of clerks in Attached Offices has been reduced by 10 per cent. No reduction has been made on that account in the standard rent of clerks' quarters in New Delhi. Government do not admit there is any connection between the Delhi camp allowance and the standard rent of clerks' quarters in New Delhi.

**RETIREMENT OF MR. C. A. WILLIAMS, DEPUTY DIRECTOR OF PURCHASE, INDIAN STORES DEPARTMENT.**

735. **\*Mr. K. O. Neogy** (on behalf of Mr. S. C. Mitra): Is it a fact that Mr. C. A. Williams, Deputy Director of Purchase, Indian Stores Department, is retiring from service early in March, 1933? If so, do Government propose to recruit a qualified Indian on a lower scale of salary, or do they propose to fill the vacancy by promotion, and, if so, what are the qualifications of the proposed successor?

**The Honourable Sir Frank Noyce:** Mr. Williams has been granted leave with effect from the 9th March, 1933, preparatory to his retirement. The vacancy will be filled by promotion following the normal procedure.

**ABOLITION OF ONE APPOINTMENT OF ASSISTANT DIRECTOR OF PURCHASE OF THE INDIAN STORE DEPARTMENT.**

736. **\*Mr. K. O. Neogy** (on behalf of Mr. S. C. Mitra): Is it a fact that one appointment of Assistant Director of Purchase of the Indian Stores Department has been abolished, and that the savings accruing from this have been utilised for giving additional pay to other officers employed at the headquarters of the department? If so, who are the beneficiaries and to what extent?

**The Honourable Sir Frank Noyce:** The post of the Assistant Director of Purchase, Engineering, in the Indian Stores Department has been abolished as a measure of retrenchment and the savings accruing therefrom have been surrendered.

**Mr. B. Das:** May I inquire if the Honourable Member has taken final action on the report of the Stores Purchase Retrenchment Committee?

**The Honourable Sir Frank Noyce:** We have not yet taken final action. There are some recommendations which are still under consideration. Some of the recommendations have already been disposed of.

#### POST OF ASSISTANT DIRECTOR OF PURCHASE, TEXTILES, IN THE INDIAN STORES DEPARTMENT.

737. **\*Mr. K. C. Neogy** (on behalf of Mr. S. C. Mitra): Is it a fact that the post of the Assistant Director of Purchase, Textiles, has remained unfilled for a long time, and have Government considered the possibility of abolishing this appointment?

**The Honourable Sir Frank Noyce:** The post of Assistant Director of Purchase, Textiles, has been kept unfilled from time to time in the past. The question of abolishing the post was carefully examined by the Government recently. They came to the conclusion that it was necessary to retain the post in consequence of the retrenchments made in the higher Administrative appointments in the Indian Stores Department.

#### RECRUITMENT OF TELEPHONE OPERATORS.

738. **\*Mr. Rameshwar Prasad Bagla:** (a) Is it a fact that at present all posts in the first grade of telephone operators are filled by direct recruitment of outsiders and that lady operators are given preference in the matter of promotion?

(b) If the reply to part (a) be in the affirmative, have Government considered the question of improving the prospects of operators in the second grade by throwing open to them the appointments in the first grade and ordering that lady operators should not be given preference in the matter of promotion but that their cases should be considered along with those of others?

**Sir Thomas Ryan:** (a) No. The posts of Telephone Operators, Class I, are filled partly by direct recruitment and partly by the promotion of Telephone Operators, Class II, according to seniority combined with merit irrespective of sex.

(b) Does not arise.

#### PLATFORM RAISED BY MUSLIM EMPLOYEES IN THE COMPOUND OF THE LAHORE GENERAL POST OFFICE.

739. **\*Mr. Rameshwar Prasad Bagla:** (a) Is it a fact that an unauthorized *katcha* platform with thatched roof over it was raised by the Muslim employees in the compound of the Lahore General Post Office for saying their prayers?

(b) Is it a fact that recently the said platform was demolished by the order of the Postmaster, Lahore?

(c) Is it a fact that on its demolition, a deputation of a few Muslim employees was arranged by the Muslim Deputy Post Master General and the Muslim Deputy Post Master, Lahore, to wait upon the Post Master General and that, as a result of this deputation, it is contemplated by the Post Master General to restore the platform in question?

(d) If the reply to part (c) be in the affirmative, will Government please state whether such structures are permissible under the departmental rules, if any, and whether Government are prepared to grant similar requests if made by the employees of other communities?

**Sir Thomas Ryan:** (a) Yes, the facts are substantially as stated by the Honourable Member.

(b) No—only the roof which had been erected on the platform was removed.

(c) The reply to the first part is in the negative and the second part does not arise in view of the reply given to part (b) of the question.

(d) Government are considering the matter and will place a reply on the table later on.

**Mr. M. Maswood Ahmad:** Is it a fact that the so-called *kutchra* platform was actually a mosque from time immemorial?

**Sir Thomas Ryan:** I am afraid I am not in a position to define precisely what a mosque is, but I doubt whether the Honourable Member's statement is correct.

**Mr. M. Maswood Ahmad:** Will the Honourable Member please inquire whether that *kutchra* platform was really a mosque?

**Sir Thomas Ryan:** I do not see any point in inquiring since the question which was at issue with regard to this structure has been settled satisfactorily.

**Mr. M. Maswood Ahmad:** Is it a fact that there is no such place of worship for any other community, nor has one been demanded by any other community?

**Sir Thomas Ryan:** I am quite prepared to take that from the Honourable Member, but I do not think it follows that any action on my part is necessary.

**Mr. M. Maswood Ahmad:** I wanted to state the correct facts, and to defend the Department concerned.

#### SPECIAL PAY FOR EMPLOYEES IN MIR ALI AND WANA SUB-POST OFFICES IN THE DERAJAT POSTAL DIVISION.

740. **\*Mr. Rameshwar Prasad Bagla:** (a) Will Government please state whether Mir Ali and Wana Sub-Post Offices in the Derajat Postal Division are remote, unhealthy, dangerous and non-family offices?

(b) Is it a fact that special pay of Rs. 10 per mensem only is sanctioned for Wana Sub-Post Office and nothing for the Mir Ali Sub-Post Office?

(c) If the replies to parts (a) and (b) be in the affirmative, have Government considered the advisability of sanctioning a special pay of Rs. 30 per mensem for these two offices as sanctioned for Razmak Sub-Post Office?

**Sir Thomas Ryan:** (a) The facts are substantially as stated by the Honourable Member.

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(b) and (c). The case of the Wana allowances has recently been reviewed and the rate of special pay for the clerical cadre employed there has been increased from Rs. 10 to Rs. 20. At present no similar special pay is sanctioned for Mir Ali but the case is under consideration.

**COMMUNAL COMPOSITION OF THE STAFF OF TELEGRAPH, TELEPHONE, BAUDOT AND ELECTRICAL MECHANICS IN THE TELEGRAPH ENGINEERING DIVISIONS IN THE PUNJAB AND NORTH-WEST FRONTIER CIRCLE.**

741. \*Mr. Rameshwar Prasad Bagla: (a) Will Government please lay on the table a statement showing the communal composition of the staff of Telegraph, Telephone, Baudot and Electrical Mechanics in the Telegraph Engineering Divisions in the Punjab and North-West Frontier Circle?

(b) If the figures of composition disclose inadequate representation of the Hindus, what steps do Government propose to take to remove this inequality?

The Honourable Sir Frank Noyce: With your permission, Sir, I propose to reply to questions Nos. 741 and 742 together.

(a) A statement is placed on the table containing such information as is readily available, and Government hope that it will meet the Honourable Member's requirements, as the collection of more detailed information would involve an undue expenditure of time and labour.

(b) Government do not consider that special steps are necessary to increase the representation of Hindus.

*Statement showing the communal composition of the staff under the following heads in Postal Divisions, 1st class Head Offices and Telegraph Engineering Divisions in the Punjab and N. W. F. Circle as it stood on 31st December, 1932.*

|                                                                                                                        | Hindus. | Muslims. | Euro peans and Anglo-Indians. | Sikhs. | Indian Chris- tians. | Other com- munities. | Total. |
|------------------------------------------------------------------------------------------------------------------------|---------|----------|-------------------------------|--------|----------------------|----------------------|--------|
| <i>Postal Divisions and 1 class Head Offices.</i>                                                                      |         |          |                               |        |                      |                      |        |
| Postmen . . . . .                                                                                                      | 1,265   | 2,080    | ..                            | 104    | 4                    | 6                    | 3,459  |
| Inferior servants (including mail peons, letter box peons, packers and others).                                        | 1,186   | 1,952    | ..                            | 166    | 11                   | 29                   | 3,344  |
| <i>Telegraph Engineering Divisions.</i>                                                                                |         |          |                               |        |                      |                      |        |
| Linestaff (including linemen, line Inspectors and Sub-Inspectors).                                                     | 338     | 513      | ..                            | 36     | 1                    | ..                   | 888    |
| Non-Gazetted non-clerical superior staff (including Telephone, Telegraph, Baudot and Electrical Mechanics and others). | 117     | 156      | 27                            | 21     | 6                    | ..                   | 327    |

Mr. M. Maswood Ahmad: Is it a fact that all these cadres are taken as a whole and not for particular circles in taking the communal composition?

The Honourable Sir Frank Noyce: I should like to have notice of that question. My Honourable friend, the Director General, says he is not in a position to give me the information off hand.

**COMMUNAL COMPOSITION OF THE STAFF IN CERTAIN CADRES IN THE PUNJAB AND NORTH-WEST FRONTIER CIRCLE.**

†742. \*Mr. Rameshwar Prasad Bagla: (a) Will Government please lay on the table of this House a statement showing the communal composition of the staff in the following cadres in each Postal, Telegraph Engineering Division and First Class Head Post Office in the Punjab and North-West Frontier Circle:

- (i) Postmen;
- (ii) Mail peons and letter box peons;
- (iii) Linemen staff and mechanics; and
- (iv) packers?

(b) If the figures show that the Hindus are poorly represented in any of the aforesaid cadres, will Government please state what steps have so far been taken to redress the communal inequality and in how many cases the third vacancy has been allotted or reserved for the members of the Hindu community?

**PUBLIC HOLIDAY FOR THE TELEGRAPH DEPARTMENT ON DIWALI AND DUSSEERAH FESTIVALS.**

743. \*Mr. Rameshwar Prasad Bagla: (a) Are Government aware that Diwali and Dusserah are the most widely observed religious festivals of the Hindus?

(b) If so, have Government considered the question of declaring these two festivals as public holidays in the case of the Telegraph Department, and, if so, with what result?

Sir Thomas Ryan: (a) Government are aware that Diwali and Dusserah are two Hindu religious festivals.

(b) The attention of the Honourable Member is invited to the reply given by the Honourable Sir Bhupendra Nath Mitra to parts (b) and (c) of Mr. M. S. Sesha Ayyangar's starred question No. 681 in the Legislative Assembly on the 23rd September, 1929. Diwali and Dusserah are observed in different parts of India on different dates.

**CONSTRUCTION OF UNAUTHORISED STRUCTURES FOR RELIGIOUS PURPOSES IN GOVERNMENT BUILDINGS IN THE PUNJAB AND NORTH-WEST FRONTIER POSTS AND TELEGRAPHS DEPARTMENT.**

744. \*Mr. Rameshwar Prasad Bagla: (a) Will Government please state the names of the departmental buildings in the Punjab and North-West Frontier Posts and Telegraphs Department in which churches, temples, gurdwaras and mosques or places of prayer including platforms or enclosures used for these purposes are in existence?

†For answer to this question, see answer to question No. 741.

(b) If these exist, will Government please state whether such structures are permissible and have been erected with the sanction of the Director-General?

(c) If the reply to part (b) be in the negative, what steps do Government propose to take to demolish such unauthorised structures and also to prevent their coming into existence in the future?

**Sir Thomas Ryan:** (a) and (b). Government regret that they have no complete information nor do they consider it necessary to make any general inquiry in the matter.

(c) Government do not propose to issue any orders of a general nature. Any case which comes to their notice will be dealt with on its merits.

#### PERIOD OF STAY OF OFFICIALS IN THE TANK SUB-POST OFFICE IN THE DERAJAT POSTAL DIVISION.

745. **\*Mr. Rameshwar Prasad Bagla:** (a) Are Government aware that the Tank Sub-Post Office in the Derajat Division is one of the most unhealthy stations in that Division?

(b) If the reply to part (a) be in the affirmative, have Government considered the advisability of fixing the period of stay of the officials in this office for one year?

**Sir Thomas Ryan:** (a) and (b). Government are not aware how Tank compares with other places in the Division, as to unhealthiness, but a copy of the question and of my reply is being sent to the Postmaster-General for such action as may be necessary.

#### RETRENCHMENT IN THE AMRITSAR HEAD POST OFFICE.

746. **\*Mr. Rameshwar Prasad Bagla:** (a) Is it a fact that in the recent retrenchment of personnel in the Amritsar Head Post Office, out of about 40 permanent Muslim postmen, only two postmen have been retrenched, whereas out of about 24 Hindu postmen, five have been retrenched, thus not maintaining the ratio that existed before retrenchment?

(b) Is it a fact that the Retrenchment Board of the Amritsar Head Office consisted of one Sikh and two Muslim officers?

(c) If the replies to parts (a) and (b) be in the affirmative, will Government please state why the Hindus have been retrenched over and above the proportionate ratio and why no Hindu officer was included in the Board?

(d) Are Government now prepared to restore the Hindu officials to service and direct the Post Master General to see that in future any Retrenchment Board appointed for the purpose should be so constituted as to contain at least one Hindu officer?

**The Honourable Sir Frank Noyce:** Information has been called for and a reply will be placed on the table in due course.

#### APPOINTMENT OF A HINDU AS ACCOUNTANT IN THE TELEGRAPH ENGINEERING DIVISION, RAWALPINDI.

747. **\*Mr. Rameshwar Prasad Bagla:** (a) Is it a fact that Hindus are in a minority in the ministerial staff of the Telegraph Engineering Division, Rawalpindi, under the Post Master General, Punjab and North-West Frontier Circle?

(b) Is it also a fact that the accountant of the same Divisional Office who is the only adviser to the Divisional Engineer in establishment and account matters is a Muhammadan?

(c) If the replies to parts (a) and (b) be in the affirmative, do Government propose to replace the accountant by a non-Muslim?

**The Honourable Sir Frank Noyce:** (a) No.

(b) and (c). Government have no information but postings of officials to particular offices are not made on a communal basis.

#### REDUCTION OF THE NUMBER OF MUSLIM INFERIOR SERVANTS IN THE KOHAT HEAD POST OFFICE.

748. **\*Mr. Rameshwar Prasad Bagla:** (a) Is it a fact that in the Kohat Head Post Office the whole inferior staff is of the Muslim community with the result that there is none to serve the Hindu staff with water during the duty hours, especially during the summer?

(b) If the reply to part (a) be in the affirmative, have Government considered the desirability of reducing the overwhelming majority of Muslim inferior servants in that office and remove the grievance of the Hindu community?

**The Honourable Sir Frank Noyce:** (a) and (b). Government have no information. The matter is within the competence of the Postmaster General, Punjab and North-West Frontier, to whom a copy of the question is being sent.

**Mr. M. Maswood Ahmad:** May I know if it is part of the duties of the inferior servants to supply water to higher officials?

**The Honourable Sir Frank Noyce:** Only if they are specifically employed for the purpose.

#### IMPORT DUTY ON CINEMATOGRAPH FILMS.

749. **\*Mr. B. V. Jadhav:** Will Government be pleased to state:

- the amount of import duty realised by them on raw cinema films;
- the amount of import duty realised on exposed films brought into this country; and
- the amount of rebate paid to importers of exposed films in the years 1930-31 and 1931-32?

**The Honourable Sir George Schuster:** (a) Rs. 2,83,986 during 1931-32, the first year in which different rates of duty were prescribed for exposed and unexposed films.

(b) Rs. 5,27,020 during 1931-32.

(c) Rs. 1,03,516 for 1931-32. Exact figures have not been compiled for 1930-31 and would necessitate special reference to Collectors of Customs. The estimated figure is 30 to 40 thousand rupees.

**Diwan Bahadur A. Ramaswami Mudaliar:** I have not followed the answer to part (c) of the question. Does the amount of one lakh and three thousand represent the total amount of rebate for both the years or for each year?

**The Honourable Sir George Schuster:** No. For 1931-32.

**Diwan Bahadur A. Ramaswami Mudaliar:** Does the Honourable Member realise that the rebate is nearly 50 per cent. of the duty that was collected on the raw films in the same year?

**The Honourable Sir George Schuster:** The rebate is on exposed films, not on raw films.

**Diwan Bahadur A. Ramaswami Mudaliar:** Does the Honourable Member realise that if the rebate is Rs. 1,03,000 after the films have been exposed for a number of months here, it is really a rebate on films which are not worth exposing in any other part of the world, and that, therefore, the period that has now been given for the repayment of the rebate, of nearly two years, is a period which is helpful to the exposed film importers and that it is unfair to the State and the raw film industry in this country?

**The Honourable Sir George Schuster:** I believe that, according to the practice followed by the Customs Department, no rebate is granted in respect of films which are not worth more than the amount of rebate.

**Diwan Bahadur A. Ramaswami Mudaliar:** Does the Honourable Member have any statistics showing how much of this rebate is on films which were not permitted to be shown in this country, that is, which were censored and, therefore, were not capable of being shown in this country, and how much on films which were actually shown in this country?

**The Honourable Sir George Schuster:** I must ask the Honourable Member for notice of that question.

#### JURISDICTION OF THE PATNA GOVERNMENT TELEGRAPH OFFICE.

750. **\*Rai Bahadur Lala Brij Kishore:** (a) Will Government be pleased to state what is the basis of deciding the jurisdiction of a Telegraph Office?

(b) What is the jurisdiction of a free delivery radius of Task Work Messengers?

(c) What is the jurisdiction of the Patna Government Telegraph Office?

**Sir Thomas Ryan:** (a) I presume that the Honourable Member refers to the extent of the delivery area served by a telegraph office. This is determined by the convenience of the public, economy in operation and the volume of traffic to be handled.

(b) The free delivery area of a telegraph office includes generally places within a radial distance of five miles from the office.

(c) The jurisdiction of the Patna Government Telegraph Office for the purpose of delivery of messages is about five miles radially on the Patna side of the river Ganges.

#### ADJUSTMENT OF PAY OF TELEGRAPH OFFICIALS.

751. **\*Rai Bahadur Lala Brij Kishore:** (a) Is it a fact that the adjustment of pay of the Telegraph officials is regulated in accordance with the Fundamental Rules made by the Secretary of State for India in Council?

(b) Is it a fact that in relation to services under its administrative control, other than All-India Services, a Local Government may make rules modifying or replacing any of the Fundamental Rules subject to certain restrictions?

(c) If the replies to (a) and (b) be in the affirmative, will Government be pleased to state who is the authority to make, modify or replace the Fundamental Rules applicable to the Telegraph officials?

(d) Is it a fact that there are different classes of Station Service Telegraphists with different grades in pay recruited for different Telegraph Offices and the pay has been fixed with special reference to the cost of living in each town?

(e) Is it a fact that one of the service condition of the Station Service Telegraphists is that they are immune from transfers except on an occasion of national emergency?

(f) If the reply to (e) be in the affirmative, will Government please state whether the Station Service Telegraphists so transferred will get General Service pay? If not, why not?

(g) Is it a fact that, under the Fundamental Rules, the substantive pay of an official cannot be decreased even when transferred unless with his written declaration to accept the pay of the station transferred?

(h) Is it a fact that on the conversion of the Telegraph Office at Barisal into a Combined Post and Telegraph Office, the Station Service Telegraphists attached to that office were transferred to the Central Telegraph Office, Calcutta, on the same pay as drawn at Barisal Office though the grades are different in two places?

(i) If the reply to (h) be in the affirmative, will Government please state, under what rule, the transfer was ordered and whether such transfer did not break the service condition of the men concerned?

(j) Is it a fact that on representation of the case by the All-India Telegraph Union, the Director-General of Posts and Telegraphs informed the General Secretary that the pay of the Telegraphists was fixed in accordance with statutory rule for which the Director-General has no power to depart?

(k) If the reply to (j) be in the affirmative, are Government aware that the case is one of genuine hardships? Are they prepared to recommend the modification of the rule and, if not, why not?

**Sir Thomas Ryan:** (a), (b) and (c). What the Honourable Member means by adjustment of pay is not understood. The fixation of pay is within the competence of a Local Government under rule 19 of the Fundamental Rules. Under rule 2 of those rules the Fundamental Rules apply in general not only to Telegraph officials but to all Government servants whose pay is debitable to civil estimates in India. The Rules may be cancelled or modified by a competent authority in exercise of the powers conferred by rule 7 of the Civil Services (Classification, Control and Appeal) Rules. In the case of the Telegraph officials the authority is the Governor General in Council.

(d) Yes.

(e) Station Service Telegraphists are generally immune from transfer except that they are liable for field service in case of need.

(f) The remuneration of such staff if employed on field service would be determined by the regulations in force at the time.

(g) The fact is substantially as stated.

(h) to (k). The Honourable Member apparently refers to the fact that on the conversion of the Barisal telegraph office into a combined post and telegraph office some years ago three Station Service Telegraphists of that office were transferred to the Central Telegraph Office, Calcutta, on the local Station Service scale for Calcutta of 80—5—170. The pay of these men on transfer was fixed under Fundamental Rule No. 22. My information is that two of these men had expressed their willingness to serve anywhere within the Bengal and Assam Circle while one of them made an exception only in the case of Chittagong. It appears therefore that the transfers were in accordance with the wishes of the officials and no hardship appears to have been entailed.

#### APPOINTMENT OF ELECTRICAL SUPERVISORS FOR CARRIER CURRENT WORKING IN THE TELEGRAPH OFFICES.

752. \*Rai Bahadur Lala Brij Kishore: (a) Is it a fact that all non gazetted officers of the Telegraph Engineering Branch of the Indian Posts and Telegraphs Department are recruited under rules set out in Chapter X of the Posts and Telegraphs Manual, Vol. IV, issued under the authority of the Director-General of Posts and Telegraphs?

(b) Is it a fact that the employment of different classes of Engineering Supervisors whether on permanent or temporary vacancies are conducted in accordance with instructions embodied in notes below paragraph 452 of the Posts and Telegraphs Manual, Vol. IV?

(c) If the answers to (a) and (b) be in the affirmative, will Government be pleased to state whether the same principles are applicable in respect of the appointment of Electrical Supervisors for the Carrier Current Working? If not, why not?

Sir Thomas Ryan: (a) Yes, except as regards Workshops supervisory staff referred to in paragraph 427 who are recruited now wholly in India.

(b) No.

(c) Does not arise in view of the reply to part (b).

#### SELECTION OF TELEGRAPHISTS FOR THE CALCUTTA-BOMBAY CARRIER CURRENT WORKING.

753. \*Rai Bahadur Lala Brij Kishore: (a). (i) Is it a fact that in 1931 when the Calcutta-Bombay Carrier Current Working was introduced, volunteers from amongst telegraphists of more than five years' service were called for to learn the new system?

(ii) Is it a fact that at the time of selection, Telegraphists having less than even three years' service were selected for the training?

(b) If the answer to part (a) (i) be in the affirmative, will Government please lay on the table a statement showing (1) total number of selected telegraphists, (2) number of telegraphists selected with less than three years' service, (3) number of telegraphists selected with less than five years' service?

Sir Thomas Ryan: (a) (i). No; there was no restriction with respect to the length of service of a volunteer.

(ii) Yes.

(b) Does not arise in view of the reply to part (a) (i) above.

#### TASK WORK DELIVERY SYSTEM IN CERTAIN TELEGRAPH OFFICES.

754. \*Rai Bahadur Lala Brij Kishore: (a) Is it a fact that under certain rules of the Posts and Telegraphs Department, Task Work Delivery System can be introduced by a Postmaster-General who may fix a rate of task work delivery per message as he considers fit having regard to the volume of traffic, the area to be served, the facilities for getting about and the necessity for speedy distribution of telegrams?

(b) If the reply be in the affirmative, will Government be pleased to state what are the rates and methods of delivery prevalent in the Telegraph Offices of Calcutta, Bombay, Rangoon, Madras, Karachi and Agra, since 1927?

(c) Is it a fact that, under the existing rules of the Department, the computation of task work delivery peons is generally based on an average monthly delivery of more than 2,500 messages subject to the limitation of ensuring to every task work messenger an income not less than his subsistence allowance according to the task work system of the office concerned?

(d) If the reply to part (c) be in the affirmative, will Government be pleased to state the number of task work delivery peons (including temporary ones) attached to the offices of Calcutta, Bombay, Rangoon, Madras, Karachi and Agra, and the number of messages delivered by them in each of the offices during the years 1927-28, 1929-30, 1930-31 and 1931-32?

(e) Is it a fact that the charge of every telegram includes the cost of delivery also with special reference to the class of the messages concerned?

Sir Thomas Ryan: (a) Yes.

(b) Government are not in possession of precise information since as stated in the first part of this question the rates and methods of delivery are fixed by Heads of Circles without reference to Government.

(c) A Postmaster General may introduce, without reference to the Director General, task-work delivery in all large offices dealing with an average monthly delivery of more than 2,500 messages, and may fix the staff of task-work message delivery peons required in each office and the rate of task-work delivery per message as he considers fit having regard to the volume of traffic to be handled, the area to be served, the facilities for getting about and the necessity for speedy distribution of telegrams. He will fix such a standard as will ensure a monthly income to a task-work messenger from task-work fees of not less than the minimum subsistence allowance sanctioned for the station.



(d) The number of task-work messengers varies from time to time according to the requirements of traffic and Government regret that the figures required by the Honourable Member are not readily available.

(e) In fixing the tariff charges for telegrams the general cost of delivery is one of the items taken into consideration, but such cost is not computed with reference to each class of message.

#### TRANSFERS OF STATION SERVICE TELEGRAPHISTS.

755. **\*Rai Bahadur Lala Brij Kishore:** (a) Is it a fact that the service conditions of station service telegraphists make them immune from transfer outside the stations to which they are attached except in time of war or any other national emergency?

(b) Is it a fact that the Post and Telegraph Sub-Committee of the Retrenchment Advisory Committee, 1931, recommended transfers of telegraphists to combined offices as an "emergent measure" designed to absorb the surplus?

(c) Is it a fact that only station service telegraphists are picked out for such transfers?

(d) Is it a fact that under paragraph 64 (4) of the Posts and Telegraphs Manual, Volume IV, transfers of signalling staff can be made to meet the general requirements of discipline and efficiency?

**Sir Thomas Ryan:** (a) to (d). The Honourable Member is referred to the reply given in this House to Pandit Satvendra Nath Sen's identical starred question No. 1527 on the 5th of December last.

#### LIGHTS IN THE COMPOUND OF THE QUEENSWAY QUARTERS FOR THE MEMBERS OF THE LEGISLATIVE ASSEMBLY.

756. **\*Sir Muhammad Yakub:** (a) Are Government aware that during the last November Special Session of the Assembly, Sir Muhammad Yakub wrote a letter to the Secretary of the Legislative Assembly Department, requesting him to move the Central Public Works Department, in order to fit in some lights in the compound of the Queensway Quarters for the Members of the Assembly and that the Secretary of the Assembly forwarded the letter to the Public Works Department requesting them to take immediate action?

(b) Are Government also aware that Sir Muhammad Yakub also personally spoke to the Engineer about the matter?

(c) Will Government state why no action has been taken as yet about the matter?

**The Honourable Sir Frank Noyce:** I am informed that the Honourable Member's letter did not reach the Central Public Works Department and I am making further enquiries into the matter.

#### OFFICERING BY INDIANS OF THE VARIOUS ARMS OF THE PROPOSED INDIANISED DIVISION.

757. **\*Mr. Gaya Prasad Singh** (on behalf of Diwan Bahadur Harbilas Sardar): Will Government kindly state what steps they have taken for the prospective officering by Indians of the various arms and services of the proposed Indianised Division?

**Mr. G. R. F. Tottenham:** The posting of Indian King's Commissioned officers to units composing the Infantry Division and the Cavalry Brigade has already been begun, but officers of these units will mainly be found from cadets trained at the Indian Military Academy, the first batch of whom will pass out in October, 1934. Arrangements are now being made for the formation of a regiment of Indian Artillery as well as Signal and Engineer units. The officers for these arms will also be found mainly from the Indian Military Academy. The method of officering the services, such as the Supply and Transport and Veterinary Services, is now under consideration, and announcements will be made in due course as to the procedure which will ultimately be followed. I may add that a few Indian King's Commissioned officers have already been attached to the Indian Army Service Corps on probation.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House whether, in the formation of these new units, the rank and file will be thrown open to all communities alike, or whether they will, as hitherto, be confined to what is now called the "enlisted classes"?

**Mr. G. R. F. Tottenham:** The policy of the Government of India in this matter will not be altered on account of the Indianisation of the division, but, as I have already announced in this House, an opportunity will be given to Madrassis to enlist in the artillery.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member kindly explain to the House why he confines it to the Madrassis and refuses to include in it any other classes?

**Mr. G. R. F. Tottenham:** Because the Madrassis were considered most suitable. (Hear, hear.)

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member please state whether he is giving his own opinion or the opinion of the Government of India?

**Mr. G. R. F. Tottenham:** The opinion of the military authorities which was endorsed by the Government of India. (Cheers.)

**Lieut.-Colonel Sir Henry Gidney:** In view of the reply given by the Honourable Member, why did he consider that the Madrassis were not suitable for other branches of the Army, e.g., Pioneers?

**Mr. G. R. F. Tottenham:** Madrassis are now to be enlisted for the artillery which is not the same as infantry.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform the House whether it requires better physique, better stamina and altogether a better type of recruit for the artillery than for a pioneer or an infantry regiment?

**Mr. M. Maswood Ahmad:** You want brains for the artillery.

**Lieut.-Colonel Sir Henry Gidney:** And brawn too!



1962

LEGISLATIVE ASSEMBLY.

[13TH MARCH 1933.]

**Mr. G. R. F. Tottenham:** The requirements for artillery men are somewhat different from those for infantry men, and it was considered that although Madrassis were not such good infantry men as other classes in India, they might make equally good artillery men.

**Lieut.-Colonel Sir Henry Gidney:** Is it not a fact that for an artillery man an exceptional physical development is a *sine qua non*, and is this obtained or is this the characteristic of the people in Southern India?

**Mr. G. R. F. Tottenham:** Yes, certainly, Sir. (Cheers.)

**Sir Muhammad Yakub:** May I understand that the Madrassis are as fit for the artillery as the Anglo-Indians are for the Railway Department?

**Mr. M. Maswood Ahmad:** Is it not a fact that better divisions have not been Indianised and only poor divisions have been Indianised?

**Mr. G. R. F. Tottenham:** I do not understand my Honourable friend. There is no such classification.

**Mr. M. Maswood Ahmad:** What I wanted to suggest is this. Only those army divisions which are poor, which have not got sufficient funds for their use have been Indianised, and the point is that men in one of the Indianised army could not send their horses in the lancers' competition.

**Mr. G. R. F. Tottenham:** I think the Honourable Member is under a misconception. There are no units of the army which are poor as compared with other units.

**Mr. M. Maswood Ahmad:** Is it not a fact that some divisions have got some reserve funds for their benefit, raised by the regiments themselves?

**Mr. G. R. F. Tottenham:** I can assure the Honourable Member that that has nothing to do with this question.

**Lieut.-Colonel Sir Henry Gidney:** Is it not a fact that the real reason why this exclusive enlistment has been given to the Madrassis by the Army Department is a sop to Cerberus, because the pioneer regiments have been disbanded?

**Mr. G. R. F. Tottenham:** No, Sir. It is because His Excellency the Commander-in-Chief definitely thinks that Madrassis will make good artillery men. I may also make it perfectly clear that enlistment in the new Indian artillery is not being confined to Madrassis only. They are being recruited only for one or two batteries.

**Lieut.-Colonel Sir Henry Gidney:** Then who will constitute the other batteries?

**Mr. G. R. F. Tottenham:** I should like to have notice of that question. I do not remember the exact composition.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member state whether they will be thrown open to other communities?

**Mr. G. R. F. Tottenham:** I have answered that question already.

**Mr. S. C. Mitra:** Will the Honourable Member tell the House how many Indians there are in the Royal Army Veterinary Corps?

**Mr. G. R. F. Tottenham:** There can be no question of having Indians in the Royal Army Veterinary Corps. But there is an Indian Army Veterinary Corps which is composed entirely of Indians.

**Mr. B. Das:** Is it not a fact that the Indian Medical Department of the Army is completely overmanned by Anglo-Indians who undergo no education, and pass no examination?

**Mr. G. R. F. Tottenham:** The Indian Medical Department is composed very largely of Anglo-Indians.

**Mr. B. Das:** And is the Honourable Member aware that those Anglo-Indians, who are educated in the Calcutta Medical College, have only to go through a course of attendance and that they do not have to pass any examination?

**Lieut.-Colonel Sir Henry Gidney:** Of course, they do. The Honourable Member knows nothing about the matter.

**Mr. G. R. F. Tottenham:** I should like to have notice of that question.

INDIANS HOLDING THE KING'S COMMISSION IN THE COMBATANT RANKS.

758. **\*Mr. Gaya Prasad Singh** (on behalf of Diwan Bahadur Harbilas Sarda): (a) Will Government kindly state the number of Indians holding the King's commission in the combatant ranks, who have put in more than 12 years' service?

(b) How many of them, if any, are in permanent command of a company or a squadron?

**Mr. G. R. F. Tottenham:** (a) 27.

(b) None. But I may explain that the normal period of service required for promotion to such posts is 17 years in the Infantry and several years longer in the Cavalry.

INDIAN COMMISSIONED OFFICERS EMPLOYED IN THE INDIAN MILITARY ACADEMY AT DEHRA DUN.

759. **\*Mr. Gaya Prasad Singh** (on behalf of Diwan Bahadur Harbilas Sarda): (a) Will Government kindly state how many commissioned officers are employed in the Indian Military Academy at Dehra Dun?

(b) How many, if any, of them are Indians?

(c) If none, will Government kindly state why no Indian has been selected for that duty?

**Mr. G. R. F. Tottenham:** (a) and (b). Twelve British King's Commissioned officers and one Indian Viceroy's Commissioned officer.

(c) No Indian King's Commissioned officer with the necessary seniority and qualifications is at present available. The object is to give the cadets as far as possible the same sort of training that they would receive in England and, therefore, to provide them with instructors of the highest possible qualifications.

#### INDIAN KING'S COMMISSIONED OFFICERS EMPLOYED ON STAFF DUTIES.

760. **\*Mr. Gaya Prasad Singh** (on behalf of Diwan Bahadur Harbilas Sarda): (a) Will Government kindly state how many, if any, of the Indian King's Commissioned officers are being employed on staff duties?

(b) Do Government propose to enable a sufficient number of Indians to become qualified for staff work by employing them on such duties, thus making them fit to take over similar duties in the proposed Indianised Division?

**Mr. G. R. F. Tottenham:** (a) There is no Indian King's Commissioned officer at present in permanent staff employ.

(b) Indians holding the King's Commission are given the same opportunity as British officers of qualifying for important staff appointments by passing through the Staff College. I may add that the one Indian officer who qualified for the Staff College at the examination held last year was specially nominated for the College by His Excellency the Commander-in-Chief, although he would not have obtained a vacancy in the ordinary way. This officer is now at the Staff College and His Excellency hopes that others will follow him in due course.

As stated in the reply to Sirdar Sohan Singh's question No. 765 on the 14th March, 1932, His Excellency is prepared, if necessary, to give extra nominations from time to time to those Indian officers who qualify.

#### GRANT OF AN ALLOWANCE TO STATE PRISONER MR. RANBIR SINGH.

761. **\*Bhai Parma Nand:** (a) In answer to a question put by me with regard to State Prisoner Mr. Ranbir Singh's allowance, the Honourable the Home Member said on the 5th December, 1932, that the question was under consideration and would be decided shortly. Will Government be pleased to state what is the decision at which they have arrived?

(b) Are Government aware that Mr. Ranbir Singh is not keeping good health in the Sub Jail at Muzaffargarh? If so, do Government propose to shift him to a more suitable and healthy place?

(c) Are Government aware that to a supplementary question, asked by Mr. Lalchand Navalrai, the Honourable the Home Member replied on the 5th December, 1932, that Mr. Ranbir Singh's case was being referred to two judges? If so, will the Honourable the Home Member please state what opinion has been obtained from the above judges?

**The Honourable Sir Harry Haig:** (a) The allowances sanctioned for the State Prisoner are:

(i) a daily allowance of Rs. 1-6-0 for diet.

(ii) a monthly allowance of Rs. 32.

(iii) a sum of Rs. 60 on account of initial expenditure on necessary articles.

(b) No. The latest report received shows that he is in good health.

(c) The case was referred to two judges whose opinion justified the action taken.

#### DETENTION OF AZAD VIDYA BHUSHAN UNDER REGULATION III OF 1818.

762. **\*Bhai Parma Nand:** (a) Is it a fact that Azad Vidya Bhushan, M.A., who has been detained under Regulation III of 1818 has made his representation to Government to the effect that his case be put up before two judges to decide whether his detention under the Regulation is justified?

(b) Is it a fact that Vidya Bhushan has applied to Government to allow him facilities to see his legal adviser to prepare his case to be laid before the said judges?

(c) Is it a fact that Vidya Bhushan has applied to Government for his personal and family allowances and personal requirements?

(d) Is it a fact that he has applied to Government for newspapers and books, etc., to be supplied to him?

(e) If the answers to the above questions be in the affirmative, will Government be pleased to state what action has been taken by them in the matters referred to above?

(f) Is it a fact that all the facilities allowed to him as an under-trial prisoner have been withdrawn?

(g) Is it a fact that the articles deposited for him are supplied to him after six or seven days?

(h) Is it a fact that jail clothing supplied to him as a 'B' class under-trial prisoner has been taken away from him and no other clothing has been supplied to him as yet?

(i) Is it a fact that he is supplied with 'B' class prisoner's diet?

(j) Are Government aware that he passed the M.A. Examination in Ancient Indian History and Culture and Epigraphy from the Hindu University, Benares, in the First Division and stood first in his University?

(k) Are Government aware that he was a research scholar in Epigraphy and Ancient Indian History and Culture before his arrest?

(l) Is it a fact that he was selected to be the Curator of the Archaeological Museum at Muttra just before his arrest?

(m) Are Government aware that he is the eldest male and the only earning member of his family?

(n) Are Government aware that he had his mother, a widowed sister and his younger brother to support?

**The Honourable Sir Harry Haig:** (a), (b), (c) and (d). Yes.

(e) (i). Vidya Bhushan's case is at present being considered by two Sessions Judges. In accordance with the usual practice followed in such cases, he was supplied with a copy of the charges against him, and his representation has been placed before the two Judges with other papers. It is not the practice to permit a State Prisoner to have the assistance of a legal adviser in this connection.

(ii) Enquiries are being made in order to determine what allowances should be sanctioned for the State Prisoner's family. Meanwhile the following allowances have been sanctioned for him:

(a) Daily allowance for food Rs. 1-12-0.

(b) Monthly allowance Rs. 36.

(c) Lump sum for purchase of articles Rs. 60.

Sanction has also been accorded to the supply to him of certain newspapers and periodicals.

(f) He is no longer an undertrial prisoner, and is being treated in accordance with the rules and regulations for the treatment of State Prisoners.

(g) No.

(h) No. He has been allowed to retain this clothing for the present.

(i) He has been receiving milk and fruit in addition to the normal diet of a "B" class prisoner.

(j) and (k). He is an M.A. of Benares University, and was a research student in Ancient History. I have no further details.

(l) I have no information on this point.

(m) and (n). As stated in my reply to part (e), enquiries are being made.

### UNSTARRED QUESTIONS AND ANSWERS.

#### NUMBER OF OVERSEERS AND POSTMEN, ETC., IN EACH POSTAL CIRCLE.

90. **Mr. N. M. Joshi:** (a) Will Government be pleased to collect and furnish the following information concerning all the Postal Circles?

| 1                                       | 2                                 | 3                                 | 4                                                                | 5                                                                |
|-----------------------------------------|-----------------------------------|-----------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Category.                               | Number on the 31st January, 1931. | Number on the 31st January, 1933. | Number abolished from 1st February, 1931, to 31st January, 1933. | Number converted from 1st February, 1931, to 31st January, 1933. |
| (i) Departmental & Branch Post Offices. |                                   |                                   |                                                                  |                                                                  |
| (ii) Mail Overseers . . . .             |                                   |                                   |                                                                  |                                                                  |
| (iii) Overseer-Postmen . . . .          |                                   |                                   |                                                                  |                                                                  |
| (iv) Head-Postmen . . . . .             |                                   |                                   |                                                                  |                                                                  |
| (v) Reader and Sorting Postmen .        |                                   |                                   |                                                                  |                                                                  |

(b) Is it not a fact that prior to the 31st January, 1931, departmental branch post offices were sanctioned only after it was found that they should be self-supporting?

(c) If the reply to part (a) be in the affirmative, have the branch offices, to be shown in column 5 of part (a), ceased to be self-supporting?

(d) Will Government kindly state why the abolition and conversion to be shown in columns 4 and 5 of (ii), (iii), (iv) and (v) were carried out, and whether this reduction has not entailed the duties of the retrenched officials on those in the lower categories and if the duties have been assigned to lower grade officials whether this delegation is permissible under the Post Office rules?

(e) Will Government be further pleased to state:

(i) whether the posts of (1) Lower Division Clerks, (2) Branch Postmasters, (3) Mail Overseers, (4) Overseer Postmen, (5) Head Postmen, and (6) Reader and Sorting postmen which, prior to 1931, were, so to say, the prize-appointment for postmen only, have now been left open also to officials in the lower cadres and outside candidates either from the other branches of the Department or from the open market, and (ii) if so, what the cumulative effect of this and of the information to be furnished in columns 4 and 5 of the statement in part (a) has been on the future prospects of postmen, that is to say, how many higher appointments were open to postmen on the 31st January, 1931, and how many of these they had to forego by the 31st January, 1933, on account of abolition and conversion of the posts and also by reason of competition with others outside their cadre?

**Sir Thomas Ryan:** The points raised by the Honourable Member are being examined and a reply will be placed on the table in due course.

#### GRIEVANCES OF THE MUSLIM CLERKS EMPLOYED IN THE LOCO. SHOP PRODUCTION BRANCH OF THE NORTH WESTERN RAILWAY.

91. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state if it is a fact that ten or eleven Muslim clerks employed in the Loco. Shop Production Branch of the North Western Railway have submitted to the Agent and the Superintendent, Mechanical Workshop, Moghalpurā, a memorial of 12 printed pages regarding their grievances?

(b) Have they stated in that memorial that Muslim employees are being punished or dismissed for trifling or supposed mistakes for the simple reason that they are Muslims whereas non-Muslim employees who commit even serious mistakes escape scot free and get undue promotion?

(c) Does the memorial state that non-Muslim clerks resort to fraudulent practices in order to give more piece-work money to workmen in whom they are interested?

(d) Does the memorial state that fraudulent practices of non-Muslim shop production clerks are connived at in the Accounts Office where the latter hold monopoly?

(e) Does the memorial state that appeals of Muslims are given no consideration while every effort is made to save non-Muslims even when they are entangled in serious cases?

(f) Is it a fact that the memorial in support of all the allegations quotes a large number of specific cases from the records?

(g) Is it a fact that no action has been taken on the memorial?

(h) Are Government prepared to institute very early enquiry into these allegations and take suitable action? If not, why not?

**Mr. P. R. Rau:** Government have no information but I have sent a copy of the Honourable Member's question to the Agent, North Western Railway, for such action as he may deem necessary.

**ABSENCE OF MUSLIM PERMANENT JUNIOR ACCOUNTANTS IN THE NORTH WESTERN RAILWAY ACCOUNTS OFFICE AND DIVISIONAL ACCOUNTS OFFICES.**

92. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether it is a fact that there is not a single Muslim permanent junior accountant in the whole of the North Western Railway Accounts Office and the seven Divisional Accounts Offices on that Railway?

(b) Is it a fact that the Deputy Chief Accounts Officer and Chief Accounts Officer of the North Western Railway and the Deputy Controller of Railway Accounts, in whose hands lay the confirmation of accountants are all non-Muslims belonging to one community?

(c) Is it a fact that the present Chief Accounts Officer has been posted to the North Western Railway only recently?

**Mr. P. R. Rau:** (a) Yes.

(b) It is a fact that the three posts referred to were held at the time by non-Muslims, but the confirmation of Accountants did not lie in their hands, as it is ordered by the Controller of Railway Accounts. Government strongly repudiate the suggestion contained in this question that any of these officers was swayed by communal considerations in making his recommendations.

(c) Yes.

**PAUCITY OF MUSLIMS IN THE RAILWAY ACCOUNTS DEPARTMENTS.**

93. **Mr. M. Maswood Ahmad:** (a) Is it a fact that when accounts were under the control of the Auditor General, men who had not passed the accountants' examinations were seldom appointed as accountants?

(b) Is it a fact that the rigid rule regarding examination was hitherto used as an excuse for not giving the posts of accountants to Muslims?

(c) Is it a fact that since the separation of accounts from audit, a large number of unqualified men have been appointed and confirmed as accountants and senior accountants in the accounts department?

(d) Is it a fact that a large number of men have been exempted from passing the accountants' examination?

(e) Is it a fact that the relaxation of rules regarding examination has also been made mostly in favour of non-Muslims?

(f) Is it also a fact that a number of Muslim employees who have passed the examination are working as clerks and have not been promoted as accountants?

(g) Will Government be pleased to state whether appointment as accountants of qualified Muslims in place of unqualified non-Muslims will lead to efficiency or inefficiency?

(h) In the interests of efficiency and in view of the present paucity of Muslims in the Railway Accounts department, are Government prepared to remove or revert unqualified non-Muslims and appoint Muslims, who have passed the examination as accountants? If not, why not?

**Mr. P. R. Rau:** (a) This is probably correct, but a verification of the statement will involve a considerable amount of time and labour.

(b) Certainly not.

(c), (d) and (e). Under the terms and conditions under which the existing subordinate establishments were transferred to the Railway Accounts Department under the Financial Commissioner of Railways and the rules for recruitment thereto, certain persons who were employed in certain ranks and grades on the 1st April, 1929, were eligible for confirmation in the actual rank and grade so held by them without being required to pass any examination, but it was provided that no such employee would be promoted to any higher grade of appointment until he had passed the examination prescribed for such rank or grade. Apart from persons confirmed under these rules, I am informed that there are only four persons who have been exempted from passing the Accountants examination, and of these two are Muslims.

(f) It is a fact that there is a large number of employees, of whom a few are Muslims, who have passed the examination but have, owing to the want of vacancies, to remain as clerks.

(g) Government do not consider that efficiency or inefficiency of a particular member of the staff has anything to do with his religious persuasion.

(h) If the Honourable Member's suggestion is that exemptions from passing examination already granted should be cancelled, Government are not prepared to consider it.

**FREQUENT TRANSFERS OF THE MUSLIM EMPLOYEES IN THE DEHRA DUN POSTAL DIVISION.**

94. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether it is a fact that the Muslim employees of the Postal Department in the Dehra Dun Division are very frequently transferred from one place to another? If so, will they please state the reasons for it?

(b) Will Government be pleased to state the expenditure Government had to incur on account of travelling allowance on such transfers made in the years 1931-1932?

(c) Who is responsible for this expenditure incurred? Are such frequent transfers contrary to the orders for avoiding transfers and what action do Government propose to take to recover this amount from the officer responsible?

**The Honourable Sir Frank Noyce:** (a) to (c). Government have no information. The matter is entirely within the competence of the Postmaster-General to whom a copy of the question and of this reply is being sent for such action as he may consider necessary.

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LEGISLATIVE ASSEMBLY.

[13TH MARCH 1933.

# UNPAID APPRENTICES WORKING IN THE OFFICE OF THE RAILWAY BOARD.

96. **Mr. M. Maswood Ahmad:** (a) How many unpaid apprentices are at present working in the Railway Board's office and since how long? What assurance has been given to these men?

(b) Will Government please explain the necessity for employing unpaid men? Is it not a fact that that necessity was experienced on account of drastic reduction in the establishment of the Railway Board? Do Government propose to employ these men in order to cope with the work?

**Mr. P. R. Rau:** My Honourable friend has been misinformed. There are no unpaid apprentices employed in the office of the Railway Board.

## APPOINTMENTS OF THE HEAD ASSISTANTS OF THE TELEPHONE REVENUE ACCOUNTING OFFICES.

97. **Mr. Rameshwar Prasad Bagla:** (a) Is it a fact that Telephone is considered as a part of the Engineering Branch of the Telegraph Department and that Telephone Revenue Accounting Work was originally carried on in the Divisional offices of the Engineering Branch?

(b) Is it a fact that thereafter when the Telephone Revenue Accounting offices were centralised in Calcutta and Delhi, these offices were placed under the administrative control of the Directors of Telegraphs (Engineering Circles) and rules to that effect are incorporated in the Manuals of the Department?

(c) Is it a fact that even when these offices were decentralised and attached to the Circle Offices, these Telephone Revenue Accounting Offices were considered as forming part of the Engineering Branch of these Circle Offices?

(d) Is it a fact that Engineering Branch clerks formed the personnel of the clerical establishment of these Telephone Revenue Accounting Offices?

(e) Is it a fact that knowledge of the rules contained in some of the Manuals concerning the Engineering Branch is necessary for the Head Assistants of these Telephone Revenue Accounting Offices and that these Head Assistants were required to be qualified Lower Selection Grade clerks?

(f) Is it a fact that Lower Selection Grade clerks of the Engineering Branch had to pass in certain subjects which included Engineering Manuals which the Lower Selection Grade clerks of the Traffic or the Postal Branch had not to pass through?

(g) If the replies to (a), (b), (c), (d) and (f) be in the affirmative, do Government propose to offer the appointments of the Head Assistants of the Telephone Revenue Accounting Offices to passed Lower Selection Grade clerks of the Engineering Branch? If not, why not?

**Sir Thomas Ryan:** The position is still as explained in reply to Mr. Nabakumar Sing Dudhuria's identical unstarred question No. 144 as recently as the 30th of September last.

UNSTARRED QUESTIONS AND ANSWERS.

1971

## SYSTEM OF PAYMENT FOR TELEGRAPH MESSENGERS.

98. **Mr. Rameshwar Prasad Bagla:** Referring to answers given to unstarred question No. 275 of Mr. S. C. Mitra on the 29th March, 1932, on the floor of the Assembly:

(a) Will Government be pleased to place on the table a statement showing the amount which was drawn by the Task Work Messengers of Calcutta office under the Bhaga System under the old rules and the amount which they would have been entitled to under the new changes introduced from the 1st March, 1931?

(b) Referring to answers to (i) thereof, will Government be pleased to quote the authority under which the Audit office passed the salary bills?

(c) Will Government be pleased to quote the authority under which these salary bills were prepared in the Central Telegraph Office, Calcutta?

(d) Will Government be pleased to state if enquiry for authority was made from the Postmaster-General, Calcutta, and Central Telegraph Office, Calcutta? If so, to what effect?

(e) (i). Will Government be pleased to state what steps were taken to trace out this authority?

(ii) How many years' records are preserved for such sanctions?

(iii) How many cases have come to the notice of the Government regarding such expenditure of public money (1) without regular authority, (2) authority which was existing but not traceable, (3) do the Government propose to refer the matter to previous Directors General and Postmasters-General of Bengal and Assam Circle and old retired officials of these offices to trace out the authority in this connection? If not, why?

(f) (i). Will Government be pleased to state what were the service conditions for the Task Work Messengers before 1st March, 1931, (ii) who is the authority in making any change of the conditions regarding pay and allowances. (iii) was any written option given to the existing incumbents under Fundamental Rules to come under changed conditions? If not, why?

**Sir Thomas Ryan:** The points raised in questions 98 and 99 are being looked into, and a reply will be placed on the table in due course.

## SYSTEM OF PAYMENT FOR TELEGRAPH MESSENGERS.

†99. **Mr. Rameshwar Prasad Bagla:** Referring to answers given to unstarred question No. 274 of Mr. S. C. Mitra on the 29th March, 1932, on the floor of the Assembly regarding triple rate messages:

(a) Will Government be pleased to state what other procedure is followed in respect of press messages?

†For answer to this question, see answer to question No. 98.

- (b) Are Government prepared to make a sifting enquiry with a view to trace out (i) the original authority under which the triple rate system was introduced in Central Telegraph Office, Calcutta, (ii) the reason for making this special arrangement for Calcutta only? If not, why not?
- (c) Will Government be pleased to state the approximate savings of the department during the last three months in view of the realisation at triple rate from the public and payment to Task Work Messengers at single rate?
- (d) Will Government please state the average loss of Task Work Messengers per man per month under this new change?

#### DUTY SYSTEM OF TELEGRAPHISTS AND SIGNAL ROOM CLERKS.

100. **Mr. Rameshwar Prasad Bagla:** (a) Is it a fact that the duty system of telegraphists and signal room clerks are regulated according to the recommendations of the Maxwell Committee and accepted by the Government of India in June, 1908?

(b) Is it a fact that the duty chart recommended by the Committee, composed of 22 per cent. of the total signalling staff in the two night sets on the assumption that the system recommended by them provided for preventing accumulation of volume of traffic to be disposed of by night and that the percentage was still more reduceable with the closing of second class offices at 20 hours?

(c) Are Government aware that great discontentment prevails among the signalling staff in larger offices due to the frequency of night duties?

(d) Will Government be pleased to state what percentage of staff is at present required to perform night duties and the causes for increase or decrease in the percentage recommended by the Maxwell Committee?

(e) (i). Is it a fact that the Telegraph Establishment Enquiry Committee presided over by Mr. S. P. Varma is conducting enquiries in respect of duty hours of the employees?

(ii) If the answer to (e) (i) be in the affirmative, has the attention of the Committee been drawn by the Government to the decision of the International Labour Conference held in Geneva in January, 1933, on the forty hour week? If not, why not?

(f) Is it a fact that the meal relief of the employees in the Telegraph Department is granted for half an hour only when the duty hours exceed six hours?

(g) (i). Is it a fact that the staff has been demanding the extension of the time for meal relief since 1927, and in a Conference held between the then Honourable Member-in-charge of Labour and Industries and the All-India Telegraph Union, in January, 1930, it was agreed that the Director-General of Posts and Telegraphs would consult the Postmasters-General to see whether there are any specific cases of hardships?

(ii) If the answer to part (g) (i) be in the affirmative, will Government please state what are the results of the enquiry?

(h) Are Government aware of the fact that in British Post Offices 45 minutes are allowed for meal reliefs? If not, do Government propose to make enquiry as to what is the time for meal reliefs in Continental signal offices? If not, why not?

**Sir Thomas Ryan:** (a) and (b). Yes.

(c) No.

(d) Although the exact percentage is not readily available, Government have no reason to believe that there has been any increase.

(e) (i) and (ii). Government are not yet in a position to make any statement on the subject.

(f) The fact is substantially as stated by the Honourable Member.

(g) (i). Yes.

(ii) The enquiry brought to light no specific cases of hardship.

(h) Government have no precise information as to the time allowed for meal reliefs in the British Post Office, nor do Government think it necessary to make enquiries as to the time allowed for such relief in Continental signal offices where the conditions of service are not the same as in India.

#### SELECTIONS OF ELECTRICAL SUPERVISORS FOR CARRIER CURRENT WORK IN THE CENTRAL TELEGRAPH OFFICE, CALCUTTA.

101. **Mr. Rameshwar Prasad Bagla:** (a) Is it a fact that the selections of Electrical Supervisors for Carrier Current Work in Central Telegraph Office, Calcutta, in 1931 were made by the Electrical Engineer-in-Chief in consultation with the Assistant Electrical Engineer attached to the Calcutta Signal Office after granting interviews to all trained candidates in the system?

(b) If the answer be in the affirmative, will Government please state how many trained candidates were considered best fitted for such appointments and on what subjects the candidates' qualifications were tested?

(c) Is it a fact that in Central Telegraph Office, Calcutta, the selections of officiating Electrical Supervisors for Carrier were made on the recommendations of the Chief Superintendent and no interviews were granted to the trained candidates other than those recommended by him?

(d) Are Government aware that while the departmental authorities upheld the view that interviews were accorded to all, the candidates concerned solemnly declare that they have in possession definite proofs to show that they were not granted interview?

(e) If the answer to part (d) be in affirmative, are Government prepared to enquire into the whole affair? If not, why not?

**Sir Thomas Ryan:** The question is receiving attention and a reply will be placed on the table in due course.

#### SHORT NOTICE QUESTION AND ANSWER.

##### TWO MUSLIMS SHOT DOWN AT CHITTAGONG BY THE MILITARY.

**Mr. Muhammad Anwar-ul-Azim:** (a) Will Government please state whether it is a fact that two Muslims have been shot down at Chittagong by the Military? If so, will Government state the reasons for which that was done?

(b) How long do Government propose to keep the military stationed at Chittagong? Have not all the terrorist absconders been arrested yet?

(c) What arrangements do Government propose to make to bring the military to book, if the occasion was unjustifiable? What money and other compensations are these victims entitled to receive?

(d) On whose information were the alleged searches made in the locality? What punishment do Government propose to inflict on the giver of this false news?

**The Honourable Sir Harry Haig:** The report I have received on this very unfortunate incident from the Government of Bengal is to the following effect. Information had been received that certain absconders (of whom several are still at large) were in the neighbourhood and a military patrol, with a police officer, was sent out on the night of the 7th instant to patrol the river bank and examine all persons moving by night in order to effect the arrest of the terrorists. Two men were seen to alight from a boat, and, on being challenged, immediately started to run, though a warning had been published by beat of drum in the locality telling people to halt when challenged. The patrol pursued them through a village calling on them to halt, but the men continued to run and, when they reached an open field, beyond the village, the patrol fired seven shots at the men who were still running. Both were killed. The District Magistrate reports that the failure of the men to halt was very suspicious in view of the warning that had been issued and of the fact that on the previous night on the opposite bank of the river two youths had escaped through a military cordon and though pursued had disappeared. The patrols on this side of the river had special orders to watch for terrorists and absconders trying to cross from the other side. I understand that the Commissioner has recommended the payment of compensation and that the recommendation is before the Bengal Government. I need hardly add that the Government of India very greatly regret the occurrence.

**Maulvi Sayyid Murtuza Sahib Bahadur:** May I know, through the medium of which language the patrol challenged those unfortunate villagers who have met with death?

**The Honourable Sir Harry Haig:** I am afraid, I cannot answer that question, but I think there is no doubt from the report received that the men possibly in panic were running away, but they must have known that they were called upon to stop. I do not think there is any doubt on that point.

**Maulvi Sayyid Murtuza Sahib Bahadur:** Are Government aware that these villagers do not know any other language except Bengali, even though they are Mussalmans. They do not know English or Hindustani, the language which may be known to these military people and, therefore, is it not a fact that challenging in such cases is quite meaningless?

**The Honourable Sir Harry Haig:** I am informed that lectures had been given to the leading villagers, and we must presume that these lectures were in their own language asking them to co-operate and, in the particular village, where the incident took place, a special warning as to the necessity of halting at once when challenged had been published by beat of drum

**Maulvi Sayyid Murtuza Sahib Bahadur:** Who were the men who delivered these lectures to the villagers?

**The Honourable Sir Harry Haig:** I imagine, the local officials.

**Sir Abdulla-al-Māmūn Suhrawardy:** Is it not a fact that Chittagonian Bengali is very difficult even for the local people to understand?

**The Honourable Sir Harry Haig:** I can hardly believe that the local officials are not acquainted with the language of the people.

**Mr. S. C. Mitra:** What was the substance of the speeches delivered to the villagers? In what language was it that these people were challenged?

**The Honourable Sir Harry Haig:** It must have been delivered in their own language and they were warned of the danger and asked to co-operate in every way with the police and the military.

**Mr. S. C. Mitra:** Will the Honourable Member take it from me, that the words used are generally "Who goes there" and they are pronounced in such a way that it cannot be understood by anybody, even by Englishmen, and do Government realise that, by challenging these illiterate villagers in this way, they are only making people liable to be shot any time and every time.

**The Honourable Sir Harry Haig:** This is a most unfortunate incident, but I am told that this was the first time that Muhammadans who had been challenged had failed to halt and, in fact, on that very night, shortly before the incident occurred, another batch of three men had been seen and, on being challenged, they immediately stopped and brought their boat to the bank and, after being inspected by the patrol, they were allowed to proceed. My only point is that the system has been working until this unfortunate incident took place.

**Mr. B. Sitaramaraju:** Without recourse to firing, was it not possible for the officers to capture them?

**The Honourable Sir Harry Haig:** I am afraid, I cannot answer. They did pursue through the village and then, later on, they opened fire.

**Sardar Sant Singh:** May I know the number of policemen and the number of patrol who were pursuing?

**The Honourable Sir Harry Haig:** There was one Assistant Sub-Inspector of Police, a lance-naik and three riflemen.

**Sardar Sant Singh:** May I know the distance travelled by these pursuers before the firing was resorted to?

**The Honourable Sir Harry Haig:** That I cannot say. The report merely says, that they pursued them through a village calling on them to halt, but that the men continued to run, and when they reached an open field beyond the village, the patrol fired seven shots at the men who were still running, and that both were killed.



**Sardar Sant Singh:** May I know, what part of the body bore the marks of the shooting?

**The Honourable Sir Harry Haig:** That, I am afraid, I cannot say off-hand.

**Sardar Sant Singh:** Was it not a necessary part of the investigation to find out as to whether they were fired at from the front or from the back?

**The Honourable Sir Harry Haig:** The District Magistrate has held an inquiry and that has been forwarded to the Government of Bengal.

**Mr. C. C. Biswas:** Are there no instructions that when these police officers are compelled to fire in such cases, they should shoot in such a way that they may not kill the people, but merely maim or disable them? Were not any such instructions issued to these men?

**The Honourable Sir Harry Haig:** I should suppose that such instructions have been given; but I hope the House will bear it in mind that this took place at night and that the men and the pursuers were themselves running and that it may be a little difficult in all those circumstances to aim with any regard to precision.

**Sardar Sant Singh:** Does the investigation show as to what part of the body was injured by these shots?

**The Honourable Sir Harry Haig:** I have no doubt, Sir, that it does.

**Sardar Sant Singh:** Is it not part of the investigation to find out whether firing was unnecessarily resorted to or not and in order to discover that, would it not be an essential factor to find out what part of the body was injured actually?

**The Honourable Sir Harry Haig:** I think it was reported that they were shot through the back. I think so.

**Dr. Ziauddin Ahmad:** May I ask whether the Honourable Member himself did not draw the inference from the account read out to us from the Government of Bengal that these two nervous villagers really took this patrol for dacoits and that probably they were just running away for their lives? This is the inference which I at any rate drew, considering especially the fact that the patrol shouted out to them in a language which they did not understand and, therefore, did not answer.

**The Honourable Sir Harry Haig:** It is quite possible, Sir. The whole thing appears to have been a most tragic mistake.

**Sir Abdulla-al-Māmūn Suhrawardy:** Did they not mistake the patrol for terrorists or were they themselves mistaken for terrorists?

**Mr. S. C. Mitra:** On how many occasions was the warning notified by beat of drum that people were to halt? Was it on more than one occasion? Was the warning really explained to the people? Or the illiterate villagers were expected to understand the cry "Who comes there"?

**The Honourable Sir Harry Haig:** I have no information about that, but I understand that very special operations have been in progress for some little time in this part of the country and, therefore, I think it is reasonable to suppose that the villagers were acquainted with the fact that these operations were going on.

**Mr. N. M. Joshi:** May I ask, in view of the fact that this method of putting down terrorism involves great risk to the lives of countless innocent Indians, whether they would consider the advisability of stopping this method?

**The Honourable Sir Harry Haig:** I would ask the Honourable Member to remember that in the same locality, only two or three weeks before, the troops were able, at considerable risk to themselves and under fire, to secure the arrest of the most notorious absconder in the Chittagong case?

**Mr. S. C. Mitra:** Is it any part of the Government's case that these two people tried to attack in any way the Police patrol or there was any other sufficient cause for firing?

**The Honourable Sir Harry Haig:** No. I have made that quite clear.

**Mr. S. C. Mitra:** And even then they thought it fit to try to kill them outright?

**The Honourable Sir Harry Haig:** No. They were trying to stop them.

**Mr. H. P. Mody:** In view of this deplorable incident, do not Government consider that the necessity has arisen for revising the instructions to the effect that people who do not offer any resistance should not be fired upon?

**The Honourable Sir Harry Haig:** It is certainly desirable to back up the matter with the Government of Bengal and the military authorities and see whether the present instructions require to be revised. (Hear, hear.)

**Sardar Sant Singh:** Has any action been taken or is proposed to be taken against those who have fired upon these unfortunate people and thus committed a very rash and negligent act?

**The Honourable Sir Harry Haig:** No, Sir.

**Mr. Gaya Prasad Singh:** May I know if any action has been taken against the informer on whose information the patrols went out on this shooting expedition, resulting in the death of two innocent persons?

**The Honourable Sir Harry Haig:** It is not a question of anybody having given false information. There was no doubt whatever that there were terrorists and absconders in that neighbourhood, and somewhat elaborate operations were in progress to try to secure them.

**Mr. B. Das:** Is it under contemplation also to give some special reward to this patrol which shot at these two innocent victims?

**The Honourable Sir Harry Haig:** I think that is a very unworthy question, Sir. (Hear, hear.)



**Mr. C. S. Ranga Iyer:** May I ask whether the Government contemplate giving some kind of compensation to the families of these two unfortunate dead?

**The Honourable Sir Harry Haig:** Yes, Sir. As I said in my original answer, the Commissioner, I understand, has recommended compensation and the matter is under the consideration of the Government of Bengal at the present moment.

**Mr. S. C. Mitra:** Is not the Honourable the Home Member aware that there are special rules of the Government of Bengal as regards shooting on such occasions, namely, that the shooting should be aimed at the legs and not on the upper and vital parts of the body, and may I ask if, on account of such rules being infringed in some places, any steps should not be taken against these people who were at least grossly careless?

**The Honourable Sir Harry Haig:** As I have explained, it is difficult at night and when running to be sure of the accuracy of the aim.

**Sardar Sant Singh:** Is the House to understand that the Government, in order to put down terrorism in Bengal, want to terrorise the people at large and control the freedom of movement of even those persons who are quite innocent?

**The Honourable Sir Harry Haig:** The Honourable Member need understand nothing of the sort.

**Mr. C. C. Biswas:** Have the Government of India received any information from the Local Government as to who were the persons who were examined? Were the statements of any persons other than police officers taken?

**The Honourable Sir Harry Haig:** The District Magistrate held an inquiry and took the evidence of various villagers.

**U Kyaw Myint:** I was wondering, Sir, whether there was a Curfew Order, or anything savouring of martial law, in the locality, to prevent people moving about at night?

**The Honourable Sir Harry Haig:** I have no definite information on that point, but, as the House will remember, the special legislation passed by the Local Government some months ago gives them the power to issue regulations of that kind and I should think it is probable that a regulation of that kind was in force.

**Mr. B. Das:** How can the Honourable Member reconcile the view that the two innocent victims were moving about at night and how can the villagers be asked by the District Magistrate to give any evidence on the point? Were they near about them at the time of the accident?

**The Honourable Sir Harry Haig:** As I said, these two men were running through the village with the patrol in pursuit.

**Dr. Ziauddin Ahmad:** In view of the fundamental principle of law that it is better to have 100 guilty persons escape punishment than that one innocent man should be punished, will the Government now consider the desirability of withdrawing the whole military force at Chittagong?

**The Honourable Sir Harry Haig:** The military forces there are performing a most important function; but, as I have already said, we shall take up with the Government of Bengal and the military authorities the question of the possible revision of the instructions.

**Mr. K. P. Thampan:** May I know whether the Government are in a position to give any damages to the villagers?

(No answer.)

#### MOTION FOR ADJOURNMENT.

##### TWO MUSLIMS SHOT DOWN AT CHITTAGONG BY THE MILITARY.

**Maulvi Sayyid Murtuza Saheb Bahadur** (South Madras: Muham madan): Sir, when I first looked into the question of my Honourable friend, Mr. Anwar-ul-Azim, I thought there would be no necessity for me to move this adjournment motion in case a satisfactory reply was given 12 NOON. by the Honourable the Home Member. But now I find that, although some of the replies were fairly satisfactory, others were not,—I may say they were evasive. So I want the permission of the House to move my adjournment motion.

**Mr. Deputy President** (Mr. R. K. Shanmukham Chetty): I have received notice from Maulvi Sayyid Murtuza Saheb Bahadur that he proposes to ask for leave to move the adjournment of the business of the Assembly to discuss a matter of definite and urgent public importance, namely:

“To discuss that two Muslims were shot dead by the Military near Chittagong suspecting them as terrorists.”

I have now to inquire whether any Honourable Member has any objection to this motion.

**The Honourable Sir Harry Haig** (Home Member): Sir, I would merely point out that I have, for ten minutes or a quarter of an hour, been answering questions on this subject this morning,—that I have given all the information in my possession to the House, that I have expressed the regret of Government and their intention of considering whether the present instructions require to be revised. And I would suggest that there is really no further purpose to be served by the motion which my Honourable friend has proposed.

**Mr. Deputy President** (Mr. R. K. Shanmukham Chetty): No formal objection has been taken by the Honourable the Home Member to the motion but he probably appeals to the Honourable the Mover of the motion to consider whether, in view of the statement he has made, he would still like to move his motion for adjournment. The Chair would like to know from Maulvi Sayyid Murtuza Saheb Bahadur what he has to say.

**Maulvi Sayyid Murtuza Saheb Bahadur:** Sir, in as much as the Home Member has expressed regret on behalf of Government and in as much as he has promised some compensation to the families of these people,—which I hope will be reasonable—and also in view of the fact that the instructions would be revised, I do not propose to move this motion.

## STATEMENTS LAID ON THE TABLE.

**The Honourable Sir Harry Haig** (Home Member): Sir, I lay on the table (i) the information promised in reply to starred question No. 689 asked by Mr. S. C. Mitra on the 7th March, 1932, and (ii) the information promised in reply to starred question No. 25 asked by Mr. S. C. Mitra on the 26th January, 1932.

## PERMANENT LOCATION OF THE SECRETARIAT IN NEW DELHI.

\*689. (a) Rs. 2,70,000 per annum on the assumption that all residences are occupied during the summer months.

(b) Rs. 1,05,000.

(c) A net saving is probable though against savings in some directions must be set greater expenditure in others.

(d) The decision of Government in regard to the permanent location of the Secretariat in Delhi is indicated on page 23 of the Summary of the results of retrenchment operations in Civil Expenditure and in Military Estimates, copies of which were circulated to Members of the Legislative Assembly in March, 1932. The new water supply scheme is likely to be completed in about two years' time.

## PROPORTION OF EUROPEAN TO INDIAN OFFICERS RETRENCHED IN CENTRAL DEPARTMENTS.

| Departments.                                         | All-India Services. |          | Central Service, Class I. |          | Central Service, Class II. |          |
|------------------------------------------------------|---------------------|----------|---------------------------|----------|----------------------------|----------|
|                                                      | Europeans.          | Indians. | Europeans.                | Indians. | Europeans.                 | Indians. |
| Legislative Deptt.                                   | ..                  | ..       | ..                        | ..       | 2                          | 1        |
| Legislative Assembly Deptt.                          | ..                  | ..       | ..                        | ..       | ..                         | ..       |
| Military Finance .                                   | ..                  | ..       | ..                        | 1        | ..                         | 4        |
| Commerce Deptt.                                      | ..                  | ..       | ..                        | ..       | ..                         | ..       |
| E., H. & L. Deptt.                                   | 1                   | 1        | 14                        | 5        | 7                          | 25       |
| Imperial Council of Agricultural Research Department | ..                  | ..       | ..                        | ..       | ..                         | ..       |
| Railway Deptt.                                       | ..                  | ..       | 1                         | ..       | ..                         | ..       |
| Army Deptt.                                          | ..                  | ..       | 3                         | 3        | ..                         | ..       |
| Finance Deptt.                                       | ..                  | ..       | 16                        | 6        | 6                          | 17       |
| F. & P. Deptt.                                       | ..                  | ..       | ..                        | 2        | 2                          | 11       |
| Home Deptt.                                          | ..                  | ..       | ..                        | 1        | ..                         | 2        |
| I. & L. Deptt.                                       | 1                   | ..       | 17                        | 8        | 14                         | 32       |
| Total                                                | 2                   | 1        | 51                        | 26       | 31                         | 92       |

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**The Honourable Sir George Schuster** (Finance Member): Sir, I lay on the table the information promised in reply to starred question No. 413 asked by Sardar Sant Singh, on the 21st February, 1933.

## LICENSING OF NEW LIQUOR SHOPS IN NEW DELHI.

\*413. (a) Government have now seen the note published in the "National Call" of the 25th January, 1933. No new liquor shops are to be licensed in New Delhi. There are at present 10 licenses in New Delhi. Of these, six are for foreign liquor 'on' consumption, three for foreign liquor 'off' consumption and one for country liquor 'off' consumption.

(b) In view of the answer to (a), this question does not arise.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): Sir, I lay on the table (i) the information promised in reply to parts (a), (b) and (c) of starred question No. 255 asked by Mr. S. C. Mitra on the 8th February, 1933: and (ii) the information promised in reply to starred question No. 1508 asked by Mr. Lalchand Navalrai on the 29th November, 1932.

## QUANTITY OF BELTING PURCHASED BY THE INDIAN STORES DEPARTMENT AND BY THE RAILWAY BOARD.

\*255. (a) and (b). The Indian Stores Department has purchased 2,00,467 running feet of belting during the last five years, of which 13,913 running feet were of Indian manufacture.

(c) Five firms have been registered by the Indian Stores Department as manufacturers of belting in India.

## QUARTERS IN NEW DELHI FOR THE INFERIOR SERVANTS OF THE GOVERNMENT OF INDIA.

\*1508. (a) Yes, but the scheme was subsequently modified, with the consent of the Standing Finance Committee, to one of expenditure amounting to Rs. 3,25,000.

(b) Yes, as subsequently modified.

(c) 1,076 of the inferior staff including daftries and record sorters have been provided with residential accommodation which is 65 per cent. of the total staff employed. As to the daftries and record sorters, information concerning whom is particularly desired, 130 have been provided with residential accommodation which is 40 per cent. of their numbers.

(d) There is no proposal at present to provide more residential accommodation, and I am unable to commit Government to any further expenditure in this connection at the present time.

(e) As regards the first part, the provision made has been fully utilized, as explained in the reply to parts (a) and (b) above. As to the second part, Government have received no complaints, and I may mention for the Honourable Member's information that an inferior servant unless he holds a temporary appointment and is locally recruited is given an allowance of Rs. 1-8-0 a month if he is not allowed a Government quarter.

**Mr. A. G. Olow** (Government of India: Nominated Official): Sir, I lay on the table the information promised in reply to starred questions Nos. 1022 and 1023, asked by Mr. S. C. Mitra on the 28th September, 1932.

#### REFUSAL BY THE CENTRAL PROVINCES GOVERNMENT TO PERMIT MEDICAL MEN TO JOIN THE INDIAN MEDICAL ASSOCIATION.

\*1022. Enquiries made show that no Local Government has issued orders prohibiting Government medical officers from joining the Indian Medical Association. One Government medical officer in Bombay who enquired if the Surgeon General had any objection to Government medical officers becoming members of the Association was informed that as rule 2(i) of the rules of the Association was in conflict with rule 23(2) of the Government Servants' Conduct Rules, Government servants might not become members.

#### INDIAN AND BRITISH MEDICAL ASSOCIATIONS.

\*1023. Government have obtained a copy of the rules of the Indian Medical Association, which show that any person possessing medical qualifications registrable in India is eligible for membership.

**Mr. P. R. Rau** (Financial Commissioner, Railways): Sir, I lay on the table:

- (i) the information promised in reply to starred questions Nos. 917—924, and unstarred question No. 188, asked by Mr. S. C. Mitra, on the 7th and 14th November, 1932, respectively;
- (ii) the information promised in reply to unstarred questions Nos. 17—27, asked by Mr. S. C. Mitra, on the 5th September, 1932; and
- (iii) the information promised in reply to parts (a) and (c) of starred question No. 285 and part (c) of starred question No. 338, asked by Messrs. S. C. Mitra and Gaya Prasad Singh, on the 8th and 20th February, 1933, respectively.

#### APPOINTMENT OF LILLOOAH EX-APPRENTICES AS WARD KEEPERS, ETC., ON THE EAST INDIAN RAILWAY.

\*917. (a) Some of the ex-apprentices (Mechanical) of the East Indian Railway Workshop, Lillooah, are qualified for the posts of Wardkeepers and Assistant Wardkeepers. Four ex-apprentices have been taken in the Stores Department, one European, one Anglo-Indian and two Indians.

7b) The question is under reference with the Agent.

(c) The question does not arise.

(d) The posts of Wardkeepers and Assistant Wardkeepers in the Stores Department are not in the direct avenue of employment for Mechanical Apprentices. If suitable men are not available for promotion in the Stores Department to fill such vacancies, suitable candidates may be taken from other Departments including the ex-apprentices mechanical.

#### APPOINTMENT OF APPRENTICES OF THE LILLOOAH WORKSHOPS.

\*918. (a) The number of vacancies in the Mechanic's grade which occurred in Lucknow and Tatanagar Workshops since 1930 are as follows:

|                                  |          |
|----------------------------------|----------|
| Lucknow Loco. Shops              | 23       |
| Lucknow Carriage and Wagon Shops | 5        |
| Tatanagar Workshops              | 2        |
|                                  | <hr/> 30 |

Of these 30, only 2 vacancies, one at Lucknow and the other at Tatanagar, were filled by ex-apprentices of Lillooah Works one by an Anglo-Indian and the other a European. The remainder were filled by Railway employees, apprentices, ex-apprentices or others available from Lucknow or Jamalpur Workshops.

(b) I am informed that the European ex-apprentice in question had special experience and training for the post to which he was appointed at Tatanagar and was the best man available at the time the appointment was made.

(c) Does not arise.

(d) A waiting list of all ex-apprentices is now prepared and copies are sent to Chief Engineer, Chief Operating Superintendent, Controller of Stores and all Deputy Chief Mechanical Engineers and Works Managers.

#### WAITING LIST OF MECHANICAL APPRENTICES TRAINED AT THE EAST INDIAN RAILWAY WORKSHOP, LILLOOAH.

\*919. The total number of Mechanical Apprentices who completed their training since 1930 is 24. A list is laid on the table.

*List of apprentices who have completed their indentures since 1930 and who have had to be discharged as there were no vacancies.*

W. J. Bell, C. Keys, T. A. H. Cahoon, S. C. Ganguly, J. N. Mukerjee, P. N. Dutt, T. C. Ghose, B. D. Mukerji, S. N. Chatterji, A. K. Banerji, I. K. Das, N. C. Chatterjee, V. J. B. Cullen, D. C. Williamson, A. C. Roychoudhury, A. N. Mittra, B. K. Chatterjee, R. K. Chatterjee, T. C. Jackson, K. L. Mitra, M. R. Hume, M. K. Mukerji, S. C. Ganguly, and S. K. Bose.

#### APPOINTMENT OF APPRENTICES IN THE PRODUCTION DEPARTMENT OF THE LILLOOAH WORKSHOPS.

\*920. (a) Yes.

(b) Yes.

(c) At the time of formation of Production Department, which is a temporary branch, suitable mechanics were transferred to that side and such staff had no previous training in that department.

(d) The reason for selecting an ex-apprentice of 1931, in preference to an apprentice of 1930 was that the latter on completion of his apprenticeship was offered a post by the Controller of Inspection, Calcutta Circle, Indian Stores Department, which he accepted and ex-apprentice selected was the most suitable candidate available, when the vacancy occurred.

(e) Does not arise.

# RACIAL DISCRIMINATION IN THE APPOINTMENT OF APPRENTICES IN THE LILLOOAH WORKSHOPS.

\*921. (a) Yes, on electrical work.

(b) and (c). I am informed two Mechanics were appointed in Millwright and Forge and Smithy Shops, but it is not correct that they had only a few months' training. One of them joined the service in 1924 and being a fully trained Millwright was posted to the Millwright shop in 1925. The other served for five years before being posted as a Mechanic.

(d) Does not arise.

# MECHANICAL APPRENTICES IN THE PRODUCTION DEPARTMENT OF THE LILLOOAH WORKSHOPS.

\*922. (a) The total number of the apprentices is 14. A list of names is laid on the table.

(b) As it is considered that apprentices should be acquainted with Planning and Progress methods they are now given six months' training in this section as and when opportunity occurs.

(c) No, because it is considered that apprentices benefit by the training received in the Production Section.

| Name.              | Period of Training.          | Tech. School results.         | Remarks.                                        |
|--------------------|------------------------------|-------------------------------|-------------------------------------------------|
| P. Dutta .         | July, 1929 to Feby., 1930 .  | 50%                           | Worked in Production and Progress Section.      |
| B. K. Chatterjee . | May, 1930 to Jany., 1931 .   | 44%                           |                                                 |
| N. C. Nandi .      | May, 1930 to Feby., 1931 .   | 45%                           |                                                 |
| H. C. Banerjee .   | Octr., 1931 to April 1932 .  | 48%                           |                                                 |
| P. B. Gupta .      | Octr., 1931 to April, 1932 . | (Sick for final examination.) |                                                 |
| D. G. Hogan .      | Octr., 1931 to April, 1932 . | 63%                           |                                                 |
| S. C. Ganguly .    | Feby., 1931 to July, 1932 .  | 48%                           |                                                 |
| G. Allnutt .       | Octr., 1931 to Feby., 1932 . | 84%                           |                                                 |
| R. A. Bawen .      | Feby., 1932 to April, 1932 . | 47%                           |                                                 |
| S. K. Bose .       | Feby., 1932 to July, 1932 .  | 50%                           |                                                 |
| T. C. Ghosh .      | July, 1929 to Feby., 1930 .  | 82%                           | Worked in Production Section of Drawing Office. |
| E. Asquith .       | Aug., 1929 to Feby., 1930 .  | 30%                           |                                                 |
| T. Cahoon .        | Feby., 1929 to Aug., 1929 .  | 48%                           |                                                 |
| T. Gibbons .       | Sept., 1930 to Jany., 1931 . | (Sick for final examination.) |                                                 |

# RACIAL DISCRIMINATION IN THE APPOINTMENT OF APPRENTICES IN THE LILLOOAH WORKSHOPS.

\*923. (a) I am informed no fresh appointment of two Anglo-Indians has been made.

(b) Does not arise.

\*924. A statement giving the required information in respect of the years 1930 and 1931 is placed below.

Statement showing the names of mechanics, chargemen and draftsmen appointed since January 1930, in the Lillooah Carriage and Wagon Workshops.

| Name.            | Designation. | Date of appointment. | Starting salary. | Technical Education.                                                                                           | Remarks.                                                                                 |
|------------------|--------------|----------------------|------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|                  |              |                      | Rs.              |                                                                                                                |                                                                                          |
| Ram Charan Singh | Mechanic     | 1-3-30               | 60               | Trained in the Wood Working Institute, Bareilly.                                                               | } Kiln Operators.                                                                        |
| Prem Singh       | Do.          | 24-5-30              | 70               | } Trained in the Forest Research Institute, Dehra Dun.                                                         |                                                                                          |
| Gurdit Singh     | Do.          | 24-5-30              | 70               |                                                                                                                |                                                                                          |
| N. C. Chatterjee | Do.          | 1-8-30               | 60               | Undergone 5 years training as Apprentice Mechanic and technically trained in the Technical School, Jamalpur.   |                                                                                          |
| D. P. Saksena    | Do.          | 1-8-30               | 290              | ..                                                                                                             | Transferred from Forest Department as Kiln Seasoning Supervisor.                         |
| U. N. Gupta      | Draftsman.   | 1-2-30               | 200              | Benares University Engineering College City & Guilds Mech. Engr. Designing Drawing and Automobile Engineering. | Appointed against a vacancy for a draftsman in Gr. 250-12-310 in the Production section. |

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LEGISLATIVE ASSEMBLY.

[13TH MARCH 1933.]

Statement showing the names of mechanics, chargemen and draftsmen appointed since January, 1930, in the Lillooah Carriage and Wagon Workshops—contd.

| Name.                            | Designation.                            | Date of appointment. | Starting salary. | Technical Education.                                                                                          | Remarks.                                                          |
|----------------------------------|-----------------------------------------|----------------------|------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                  |                                         |                      | Rs.              |                                                                                                               |                                                                   |
| N. C. Nandi                      | Mechanic                                | 16-2-31              | 90               | Undergone 5 years training as Apprentice Mechanic and technically trained in the Technical School, Jamalpur.  | Appointed in Production and Progress Section.                     |
| R. Sim                           | Do.                                     | 3-3-31               | 90               | Do.                                                                                                           | Heat Treatment Section.                                           |
| W. Smith                         | Do.                                     | 1-3-31               | 90               | Do.                                                                                                           | Do.                                                               |
| S. N. Ojha                       | Do.                                     | 1-7-31               | 150              | Undergone 5 years training as apprentice Mechs. and technically trained in the Tech. School, Jamalpur.        | Transferred from Jamalpur in Machine Tool Reconditioning Section. |
| <i>Jamalpur Loco. Workshops.</i> |                                         |                      |                  |                                                                                                               |                                                                   |
| M. M. Pereira                    | Mechanic (Welder Charge-man).           | 20-4-31              | 90               | Undergone 2 years training in the Jamalpur Works.                                                             |                                                                   |
| S. Chiodetti                     | Mechanic (Welder Charge-man) Temporary. | 1-4-32               | 90               | Do.                                                                                                           |                                                                   |
| A. W. Jones                      | Do.                                     | 1-5-32               | 90               | Do.                                                                                                           |                                                                   |
| H. L. Kelly                      | Charge-man.                             | 16-3-30              | 150              | Undergone 5 years training as Apprentice Mechanics and Technically trained in the Technical School, Jamalpur. |                                                                   |
| N. W. Harrison                   | Do.                                     | 29-4-30              | 130              | Do.                                                                                                           |                                                                   |
| D. Mandal                        | Do.                                     | 20-5-30              | 110              | Do.                                                                                                           |                                                                   |
| P. Peterson*                     | Do.                                     | 1-8-30               | 170              | Do.                                                                                                           | *Completed his apprenticeship in 1924 and was reappointed.        |
| E. C. Alexander                  | Do.                                     | 29-9-30              | 110              | Do.                                                                                                           |                                                                   |
| M. N. Pandey                     | Do.                                     | 2-1-31               | 110              | Do.                                                                                                           |                                                                   |
| B. Prasad                        | Do.                                     | 1-2-31               | 110              | Do.                                                                                                           |                                                                   |

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STATEMENTS LAID ON THE TABLE.

Statement showing the names of mechanics, chargemen and draftsmen appointed since January, 1930, in the Lillooah Carriage and Wagon Workshops.—concl'd.

| Name.               | Designation.            | Date of appointment. | Starting salary. | Technical Education.                                                                                           | Remarks.                                                                                                                                                                                                |
|---------------------|-------------------------|----------------------|------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R. Harding          | Charge-man.             | 1-4-31               | Rs. 130          | Undergone 5 years' training as Apprentice Mechanics and technically trained in the Technical School, Jamalpur. |                                                                                                                                                                                                         |
| D. D. Chatterjee    | Do.                     | 16-4-31              | 130              | Do.                                                                                                            |                                                                                                                                                                                                         |
| Shaikh Md. Jalil    | Do.                     | 18-7-31              | 110              | Do.                                                                                                            |                                                                                                                                                                                                         |
| A. C. Mukerjee      | Do.                     | 21-9-31              | 130              | Do.                                                                                                            |                                                                                                                                                                                                         |
| S. K. Bhattacharjee | Do.                     | 1-2-32               | 130              | Do.                                                                                                            |                                                                                                                                                                                                         |
| D. N. Prasad        | Do.                     | 24-4-32              | 110              | Do.                                                                                                            |                                                                                                                                                                                                         |
| K. C. Banerjee      | Do.                     | 30-5-32              | 130              | Do.                                                                                                            |                                                                                                                                                                                                         |
| J. H. Brookes       | Do.                     | 23-6-32              | 210              | Do.                                                                                                            | Completed his apprenticeship in 1918 and was reappointed on Rs. 210 p. m. as a temporary hand on probation for 6 months.                                                                                |
| O. H. Kelly         | Do.                     | 18-7-32              | 110              | Do.                                                                                                            |                                                                                                                                                                                                         |
| T. E. Stewart       | Drafts-man.             | 10-5-30              | 202              | Do.                                                                                                            | During the latter part of his apprenticeship he was trained as a draftsman and on completion of his apprenticeship he was appointed as a temporary Draftsman on Rs. 202 in the Grade of Rs. 250—12—310. |
| S. K. Banerjee      | Do.                     | 28-5-31              | 170              | Do.                                                                                                            | Appointed in the vacancy of a post of Draftsman on Grade Rs. 170—10—230.                                                                                                                                |
| A. B. Halder        | Drafts-man (temporary). | 8-6-31               | 170              | Do.                                                                                                            | Appointed in the vacancy of a post of Draftsman on Grade Rs. 170—10—230. (Officiating.)                                                                                                                 |
| S. C. Ghose         | Do.                     | 23-5-32              | 110              | Do.                                                                                                            | (Officiating.)                                                                                                                                                                                          |

COMMUNAL PERCENTAGE OF EX-APPRENTICES APPOINTED IN THE EAST INDIAN RAILWAY WORKSHOP AT LILLOOAH.

188. The percentage is as follows :

|                         |      |
|-------------------------|------|
| Europeans . . . . .     | 30.8 |
| Anglo-Indians . . . . . | 30.8 |
| Indians . . . . .       | 38.4 |

VACANCY OF A MECHANIC IN THE EAST INDIAN RAILWAY WORKSHOP AT LILLOOAH.

17. (a), (b) and (c). A vacancy occurred in the 'M' shop (Carriage and Building) in the East Indian Railway Workshops at Lillooah due to the retirement of Mr. Ahad Bux. Owing to the curtailment of the construction programme, this post was not required to be filled and no arrangements have been made to fill the vacancy.

(d) Does not arise.

APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

18. (a) Messrs. Sim and Smith had special training in heat treatment.

Mr. Nandy had special training in Production and Progress.

Mr. Ojha had special training in Machine tool reconditioning.

(b) Messrs. Sim and Smith have been posted to the Heat Treatment Section. Their starting pay was Rs. 90 in each case.

Mr. Nandy has been posted to the Production and Progress Section. His starting pay was Rs. 90 per mensem.

Mr. Ojha has been posted to the Machine Tool Reconditioning Section. His starting pay was Rs. 150.

APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

19. The information required by the Honourable Member is given in the attached statement.

Statement shewing names of Apprentice Mechanics who completed their training at Lillooah C. and W. Workshops in 1930.

| Name.        | Date of admission. | Name of shop or section trained at                                         | Period of training.                                                              | Percentage of marks obtained in Final Technical School Examination. |
|--------------|--------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------|
| E. Asquith . | 10-2-25            | Forge and Smithy .<br>Machine and Fitting<br>Drawing Office (Jig and Tool) | 10-2-25 to 2-8-27<br>2-8-27 to 6-8-29.                                           | 30%                                                                 |
| W. J. Ball . | 3-2-25             | Machine and Fitting                                                        | 6-8-29 to 9-2-30.                                                                |                                                                     |
| C. Keys .    | 10-2-25            | Machine and Fitting<br>Machine and Fitting<br>Millwright<br>Drawing Office | 3-2-25 to 4-2-30<br>10-2-25 to 9-8-28<br>10-8-28 to 9-2-29.<br>10-2-29 to 8-2-30 | 41%<br>36%                                                          |
|              |                    |                                                                            |                                                                                  | (Failed in one subject.)                                            |

Statement shewing names of Apprentice Mechanics who completed their training at Lillooah C. and W. Workshops in 1930—contd.

| Name.             | Date of admission. | Name of shop or section trained at.                                                                             | Period of training.                                                                                            | Percentage of marks obtained in Final Technical School Examination. |
|-------------------|--------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| T. Cahoon .       | 19-9-25            | Machine and Fitting<br>Underframe .<br>Production Section<br>Drawing Office (Jig and Tool) .                    | 19-9-25 to 19-8-28 .<br>20-8-28 to 20-2-29.<br>21-2-29 to 20-8-29.<br>21-8-29 to 18-9-30.                      | 48%                                                                 |
| J. N. Chatterjee. | 10-2-25            | Carr. Repairing .<br>Machine and Fitting<br>Millwright .<br>Train Lighting .<br>Wagon Repairing .               | 10-2-25 to 30-11-25 .<br>1-12-25 to 30-9-26.<br>1-10-26 to 19-8-28.<br>20-8-28 to 8-9-29.<br>9-9-29 to 9-2-30. | 58%                                                                 |
| P. N. Dutt .      | 9-2-25             | Carr. Building .<br>Train Lighting .<br>Forge and Smithy .<br>Machine and Fitting                               | 9-2-25 to 11-4-26 .<br>12-4-26 to 14-9-27.<br>15-9-27 to 2-9-28.<br>3-9-28 to 8-2-30.                          | 50%                                                                 |
| T. C. Ghose .     | 10-2-25            | Wagon Repairing .<br>Millwright .<br>Drawing Office .<br>Machine and Fitting<br>Drawing Office (Jig and Tool) . | 10-2-25 to 2-3-26 .<br>3-3-26 to 20-2-27.<br>21-2-27 to 31-8-28.<br>1-9-28 to 30-6-29.<br>1-7-29 to 9-2-30.    | 82%                                                                 |
| S. C. Ganguly .   | 18-8-25            | Train Lighting .<br>Machine and Fitting<br>Carr. Building                                                       | 18-8-25 to 20-3-27 .<br>21-3-27 to 3-3-30.<br>4-3-30 to 21-8-30.                                               | 48%                                                                 |
| B. Mukherjee .    | 11-2-25            | Forge and Smithy .<br>Machine and Fitting<br>Millwright .<br>Underframe .                                       | 11-2-25 to 30-11-25 .<br>1-12-25 to 9-11-27.<br>10-11-27 to 28-4-29.<br>29-4-29 to 10-2-30.                    | 74%                                                                 |
| S. N. Chatterjee  | 11-2-25            | Carr. Building .<br>Train Lighting .<br>Saw Mill .                                                              | 11-2-25 to 19-8-28 .<br>20-8-28 to 12-1-30.<br>13-1-30 to 11-2-30.                                             | 44%                                                                 |
| A. K. Banerjee    | 9-2-25             | Underframe .<br>Machine and Fitting<br>Millwright .                                                             | 16-2-25 to 27-2-28 .<br>28-2-28 to 1-9-29.<br>2-9-29 to 15-2-30.                                               | 57%                                                                 |
| I. K. Dass .      | 5-3-25             | Underframe .<br>Machine and Fitting<br>Forge and Smithy .<br>Millwright .<br>Drawing Office                     | 6-3-25 to 2-3-26 .<br>3-3-26 to 28-2-28.<br>1-3-28 to 22-4-29.<br>23-4-29 to 1-11-29.<br>2-11-29 to 5-3-30.    | 43%                                                                 |
| N. C. Chatterjee  | 11-2-25            | Carr. Building .<br>Train Lighting .<br>Saw Mill .                                                              | 11-2-25 to 19-8-28 .<br>20-8-28 to 12-1-30.<br>13-1-30 to 11-2-30.                                             | 57%                                                                 |

Statement shewing names of Apprentice Mechanics who completed their training at Lillooah C. and W. Workshops in 1931.

| Name.                | Date of admission. | Name of shop or section trained at.                                                                               | Period of training.                                                                                                                                        | Percentage of marks obtained in Final Technical School Examination. |
|----------------------|--------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| R. Sim               | 8-2-26             | Drawing Office<br>Machine and Fitting<br>Jamalpur Heat<br>Treatment training                                      | 2-2-26 to 20-3-27<br>21-3-27 to 17-11-29.<br><br>18-11-29 to 29-11-30.                                                                                     | 52%                                                                 |
| W. Smith             | 26-2-26            | Machine and Fitting<br>Jamalpur Heat<br>Treatment training                                                        | 1-3-26 to 17-11-29<br><br>18-11-29 to 29-11-30.                                                                                                            | 31%                                                                 |
| H. Platts            | 7-1-26             | Carriage Building<br>Saw Mill<br>Carriage Building<br>Saw Mill                                                    | 7-1-26 to 24-1-27<br>25-1-27 to 12-12-27.<br>13-12-27 to 21-9-30.<br>22-9-30 to 6-1-31.                                                                    | 36%                                                                 |
| T. Gibbons           | 15-1-26            | Forge and Smithy<br>Machine and Fitting<br>Millwright<br>Drawing Office                                           | 15-1-26 to 20-3-27<br>21-3-27 to 10-2-28.<br>11-2-28 to 7-9-30.<br>8-9-30 to 15-1-31.                                                                      | Sick.                                                               |
| V. Cullen            | 15-2-26            | Millwright                                                                                                        | 15-2-26 to 21-2-31                                                                                                                                         | 31%<br>(Failed in one subject.)                                     |
| D. C. Williamson     | 1-2-26             | Wheel Shop<br>Machine and Fitting<br>Millwright<br>Drawing Office                                                 | 1-2-26 to 14-7-26<br>15-7-26 to 12-7-29.<br>13-7-29 to 13-4-30.<br>14-4-30 to 2-2-31.                                                                      | 43%                                                                 |
| N. C. Nundy          | 16-2-26            | Carriage Building<br>Forge and Smithy<br>Millwright<br>Production Section.                                        | 16-2-26 to 19-12-28.<br>20-12-28 to 7-12-29.<br>9-12-29 to 30-4-30.<br>30-4-30 to                                                                          | 42%                                                                 |
| A. C. Roy Chowdhury. | 11-3-29            | Machine and Fitting<br>Millwright                                                                                 | 11-3-29 to 26-1-30<br>27-1-30 to 20-5-31.                                                                                                                  | 54%                                                                 |
| A. N. Mitra          | 1-2-26             | Saw Mill<br>Carriage Building<br>Wheel Shop<br>Millwright<br>Production Section.<br>Millwright<br>Wagon Repairing | 1-2-26 to 13-3-27<br>14-3-27 to 19-8-28.<br>20-8-28 to 30-4-29.<br>1-5-29 to 30-4-30.<br>1-5-30 to 15-6-30.<br>15-6-30 to 29-10-30.<br>30-10-30 to 2-2-31. | 62%                                                                 |
| B. K. Chatterjee     | 1-2-26             | Carriage Building<br>Saw Mill<br>Carriage Repairing<br>Millwright<br>Production Section                           | 1-2-26 to 31-3-27<br>1-4-27 to 31-1-28.<br>1-2-28 to 9-6-29.<br>10-6-29 to 30-4-30.<br>1-5-30 to 31-1-31.                                                  | 44%                                                                 |
| R. K. Chatterjee     | 1-2-26             | Carriage Building<br>Millwright                                                                                   | 1-2-26 to 5-5-27<br>6-5-27 to 2-2-31.                                                                                                                      | 63%                                                                 |

# APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

20. (a) The Government of India are now informed by the Agent, East Indian Railway, that Mr. Platts was not discharged immediately after the completion of his apprenticeship but as his services were required in connection with the Stores Department re-organisation, and as he could not be re-transferred to that Department immediately, he was given for a short period a temporary post in the Carriage Body Painting Shop for which he was specially qualified. Mr. Platts did not do so well at the Jamalpur Technical School as some of the 1931 apprentices, but he did exceedingly well in the workshops. Difficulty had been experienced in getting apprentices to take training in Carriage Body Construction. Mr. Platts, however, spent the whole of his apprenticeship in the Body Construction side of the Workshops and as a vacancy existed and additional supervision was required in the Carriage Body Paint Shop he was selected to temporarily fill the vacancy, for which he was considered better qualified than his contemporaries.

(b) The reasons for the retention of Mr. Platts in the temporary vacancy have been explained in the reply to part (a) of this question. Government do not consider that any further enquiry is called for.

(c) Yes.

(d) Mr. Platts was recommended by the Officer in Charge of the Workshops and he was considered to be the more suitable man for the post than others.

(e) Government are informed that the best man was selected irrespective of nationality.

(f) The reply is in the negative.

(g) Two Indian ex-apprentices have been recently engaged in the Stores Department, and as far as vacancies occur, they stand just as good a chance of being employed as Europeans or Anglo-Indians.

## RACIAL DISCRIMINATION IN THE TRAINING OF CERTAIN APPRENTICES AT JAMALPORE.

21. I would refer the Honourable Member to the reply given to Mr. A. N. Dutt's question No. 1313 on the 6th November, 1931.

## APPOINTMENT OF LILLOOAH APPRENTICES.

22. (a) and (b). The answers are in the affirmative.

(c) No. The two men referred to, did not work throughout the strikes. They were employed on Howrah Division for only a portion of that period and were returned to the Lillooah Shops on account of unsatisfactory working and irregular attendance.

(d) Does not arise.

(e) The officer who was deputed to make the selection considered this man the best all round.

(f) There is no outside recruitment at the present moment but the claims of the Indian ex-apprentices will be considered as vacancies arise.

(g) The question does not arise.

## APPOINTMENT OF LILLOOAH APPRENTICES.

23. (a) and (d). Government regret they are unable to lay on the table copies of these orders which are purely departmental documents.

(b) So far as the Mechanical Workshops are concerned the claims of ex-apprentices in the waiting list are considered when vacancies occur. On the Operating side too, when vacancies occur selection will be made from the list of ex-apprentices of Lillooah Workshops having due regard to the claims of apprentices who are still under training under the old system on the Divisions and have no opportunity of gaining employment in the workshops as well as from retrenched employees. The men selected will be informed.

(c) The names of the ex-apprentices were sent by the Agent, East Indian Railway to all his Divisional Superintendents.

## APPOINTMENT OF LILLOOAH APPRENTICES.

24. (a) Twenty.  
 (b) One.  
 (c) One Anglo-Indian.

## APPOINTMENT OF LILLOOAH APPRENTICES.

25. The attention of the Agent has been drawn to this suggestion.

## APPOINTMENT AND PROMOTION IN THE LILLOOAH RAILWAY WORKSHOP.

26. Particulars of training and experience of Messrs. A. M. Martin, Foreman and J. Smith, Assistant Foreman, Saw Mill, are as follows:

*Mr. A. M. Martin, Foreman, Saw Mill.*

General Education . Manchester Grammar School, England.  
 Technical " . Attended evening classes at Manchester College of Technology for 3 years. Attended evening classes at Openshaw College of Technology for 1 year.

Holds a 1st class Final Certificate of the City and Guilds Institute, London, for Carriage and Wagon design.

Was an apprentice in the Carriage and Wagon Shops of the London, Midland and Scottish Railway for 5 years.

With Messrs. Leyland Motors on Motor Bus designs for 3½ months.

General C. & W. Foreman with the Bikaner Railway for 4½ years, during which time he was responsible for the working of the Saw Mill, Carriage Body Shop, Carriage Fitting, Trimming and Painting. Acted as Assistant Loco. and Carriage and Wagon Superintendent for eight months.

*Mr. J. Smith, Assistant Foreman, Saw Mill.*

General Education . Council House, Birmingham, England, St. Thomas School, Howrah.

Technical " . Attended St. Thomas evening Technical School —was awarded a prize for proficiency.

Served one year with Messrs. Andrew Yule & Co.

Apprentice in the C. & W. Shops, E. I. Railway for 4½ years.

On completion of his apprenticeship in 1903 was appointed as a Mechanic in the Saw Mill where he has been since with the exception of the 4 years he worked in the Carriage Repair Shop. Was promoted to Assistant Foreman of the Saw Mill during 1920.

## APPOINTMENT AND PROMOTION IN THE LILLOOAH RAILWAY WORKSHOP.

27. (a) The answer is in the negative.

- (b) The particulars required by the Honourable Member are given below:

*Mr. A. Lamb.*

General Education . Council School, London.

Apprenticed with Messrs. Francis & Co., Engineers, London, for 4 years.

Joined Reid & Co., Boiler & Sanitary Engineers, for about 4 years.

Joined the Army in 1907 and was transferred to the Mechanical Transport in 1914 and served in this Section throughout the War. Demobilised in 1919.

Went into business on his own account as a Motor Engineer.

Joined the East Indian Railway in 1924 as a Train Examiner on Rs. 180 and was transferred from Train Examining Staff to the Mechanical in 1925 on Grade Rs. 160—15—220.

Promoted to Grade Rs. 230—20—270 in 1926.

*Mr. G. D'Costa.*

General Education . B. N. Ry. School, Kharagpur.

Technical " . Lillooah Technical School for 3 years.

Joined East Indian Railway as Unbound Apprentice in 1920 and was transferred to the Train Examining Staff in 1923.

Was re-transferred to Shop Staff as a Mechanic in 1925 on Rs. 90 per mensem and is now in grade Rs. 160—15—220.

*Mr. T. F. Alderson.*

General Education . Council School, Buckinghamshire, England.

Technical " . Technical College, Wolverton Evening classes for 6 years.

Served 7 years apprenticeship with the London North Western Railway in their Carriage and Wagon Workshops at Wolverton

Joined the London and General Omnibus & Co., as a Coach Builder for 1 year.

Joined Brush Electrical Engineering Works, Loughborough, as Coach Builder for 9 months.

Joined Southern Railway as Coach Builder for 18 months.

Joined G. I. P. Ry. as Coach Builder Chargeman on Grade Rs. 360—425 for 2½ years.

Transferred to E. I. Railway, as Assistant Foreman, Carriage Building Shop, on Rs. 425 in Grade Rs. 425—25—475 in October 1928 which post he still holds.

*Mr. E. Watson.*

General Education . St. Joseph's College, Nainital.

Technical " . Attended B., B. and C. I. Ry. Technical Evening classes for 5 years. Was awarded several prizes for technical subjects.

Served as an apprentice C. & W. Shops, B., B. & C. I. Ry. Metre Gauge Section for 5 years.

During 1915 joined the Volunteer Machine Gun Co. and was sent to East Africa from where he returned in 1917. He was given a commission in I. A. R. O. and was posted with the 54th Company, Sappers and Miners. Was demobilised in 1919.

Joined the Tata Hydro-Electric Group, Bombay, in 1919 as an Erecting Engineer on a commencing salary of Rs. 450 per mensem and was receiving Rs. 900 during 1928 on completion of the construction work.

Was appointed Senior Bridge Foreman on the Doubling of the Allahabad-Jumna Bridge East Indian Railway, on Rs. 500 per mensem from April to August, 1928.

Appointed Assistant Foreman, Millwright Shop, Lillooah, on Rs. 450 from August, 1928.

Since November, 1931, has been acting as Planning and Progress Superintendent on Rs. 575 per mensem.

*Mr. H. K. Lowe.*

General Education . Maidstone States School, Tasmania for 6 years. St. George's, Mussoorie—1 year. Boys High School, Allahabad for 1 year.

Technical " . Took a course with the International Correspondence School, London, for Building and Construction for about 3 years.

Apprenticed with Messrs. Wilson Bros., Proprietary, Ltd., Builders and Contractors, Tasmania, for 5 years.

Served with Messrs. Cartwright, Ltd., Cabinet Makers, for 6 months.



Served with Messrs. Harris Bros., General Shop Fitters, Melbourne, for about 2 months.

On return to India opened business on own account as Furniture and Cabinet Manufacturer for 1 year.

Joined East Indian Railway in 1927 on Rs. 160 per mensem. Present rate of pay Rs. 270 monthly.

*Mr. S. F. Moslem.*

General Education . St. Xavier's College, Calcutta.

Technical „ . Calcutta Technical School for 3 years.

Served apprenticeship with Messrs. McLeod & Co., for 5 years.

Joined E. I. R. in 1928 as Assistant Feed and Speed Chargeman on Rs. 110—130 which post he at present holds and is drawing Rs. 150 monthly.

*Mr. M. Shallcross.*

General Education . Oak Grove School, Mussoorie.

Technical „ . Calcutta Technical Evening School for 5 years.

Served as apprentice for 5 years with the Power House, Lillooah, with the Electrical Department.

Served 2 years with the Electrical Department, E. I. Ry. as a Chargeman on Rs. 125.

Served with British Indian Steam Navigation Co. as an Electrician on Rs. 125 for 6 months.

Appointed as a Mechanic in Train Lighting Shop for 5 years in Grade 160—15—220 from 19th January, 1925.

Transferred to the Saw Mill, Lillooah, during 1929 on same grade which post he at present holds. Present pay Rs. 220 per mensem.

#### PUBLICATION OF ADVERTISEMENTS BY THE EASTERN BENGAL RAILWAY IN THE STATESMAN.

\*285. (a) The Agent, Eastern Bengal Railway, reports as follows:

Owing to financial stringency all Eastern Bengal Railway advertisements are now mainly restricted to newspapers with which they have contract arrangements, and out of these newspapers changes in Time Tables are published in the *Statesman* and the *Star of India*. In exceptional circumstances advertisements are, however, occasionally published in approved non-contract newspapers. Abstracts of the changes of timings of important train services in the six-monthly Time Tables are, also, sent to almost all the important papers for free publication.

#### PUBLICATION OF RAILWAY ADVERTISEMENTS IN THE STATESMAN.

Part (c) of questions Nos. \*285 and \*338. The Agent, East Indian Railway, reports as follows.

The principal bathing day of the recent *Magh Mela* at Allahabad was advertised in the contract space of the *Statesman* for the information of Indian Merchants and potential pilgrims of the upper class. No other *mela* has been advertised in this paper. The *mela* was, however, advertised in the *Surya* of Benares, the *Leader*, the *Bharat* and the *Pioneer* of Allahabad. No preference was shown towards the *Statesman*. As a general principle, vernacular papers are used for advertising *mela* notices.

#### CASES IN WHICH THE LOWEST TENDERS HAVE NOT BEEN ACCEPTED BY THE HIGH COMMISSIONER FOR INDIA.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): Sir, I lay on the table a statement furnished by the High Commissioner for India showing the 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 the 31st December, 1932.

High Commissioner for India,  
India Store Department.

*Statement for half-year ending 31st December, 1932.*

No cases in which tenders for stores demanded by the Central Government, other than the lowest complying with the technical description of the goods demanded, were accepted on the grounds of superior quality, superior trustworthiness of the firm tendering, greater facility of inspection, quicker delivery, etc.

#### ELECTION OF THE STANDING FINANCE COMMITTEE.

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

“That this Assembly do proceed to the election, for the financial year 1933-34, 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.”

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, last year, on a similar motion, I drew the attention of the Assembly to a few fundamental points. I do it again, and for two reasons. Last year the Honourable the Finance Member was not present when this question was discussed on the floor of the House, and the Honourable Sir George Rainy, who was in charge of this motion, could not really answer all the points that were raised. The second reason is that the powers of the Standing Finance Committee, which were really very meagre, have been further curtailed. Sir, the Standing Finance Committee was created as a result of the recommendations made by the authors of the Montagu-Chelmsford report; and this question was formally moved by Sir Malcolm Hailey in the form of a Resolution. I may be permitted in this connection to read two sentences from his speech. He 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.”

I have been a member of the Standing Finance Committee, and I can certify that all the materials about expenditure embodied in “demands” were never placed before the Committee, even one minute in advance before they were supplied to the House. Then he continued:

“I think, as time goes on, it will be found that the Committee will take up a very much wider scope of work on behalf of the Assembly than I have laid down today.”

[Dr. Ziauddin Ahmad.]

Sir, when we discussed this question last year, a few very important points were put forward before the House but none of these things were answered from the Government Benches. Mr. Thampan last year pointed out that the members of the Standing Finance Committee should be elected by the elected Members of the Assembly. Sir Hari Singh Gour emphasised many important points on that occasion and Mr. Gaya Prasad Singh advocated the device of a suitable method to make the Standing Finance Committee more effective. Mr. Sitaramaraju called this Finance Committee really a pocket edition of the Assembly and he said that as is the Assembly ineffective, so is the Standing Finance Committee. Mr. Joshi, on that occasion, said that the only question was whether the Opposition should be allowed some share in framing the financial proposals of the Government of India. These were the points which we raised on the floor of the House last year, and, I am afraid, that the position of the Finance Committee today has not improved. But, if it has changed, it has changed in the negative direction. The function of the Standing Finance Committee, as contemplated by the Honourable (now His Excellency) Sir Malcolm Hailey, was to scrutinise the main Budget prior to its discussion by the House. From this it is really implied that the whole volume of the demands should be laid before the Finance Committee and we should be permitted to consider the expenditure as a whole; that is, not only certain items which may be brought forward here and there in a scrappy manner, but we should have an opportunity to consider the Budget as a whole, and then and then alone we would be in a position to say how far the taxes would be necessary. But here this opportunity is not given to the Finance Committee. Many motions were guillotined on Friday last, without giving an opportunity for scrutiny either to the Legislative Assembly or, as Mr. Raju said, to its pocket edition.

In the year 1922, or a year later, when the Standing Finance Committee was created, the Assembly insisted upon and laid down financial principles and they said that this Standing Finance Committee was to sanction the allotments out of the lump sum granted to the various Departments. This particular thing was never done. This question of allotments from the lump sum was never laid before the Finance Committee, at least during the last three years that I have been connected with it. The second thing was to suggest retrenchment and economy in expenditure. This was really one of the functions of the Standing Finance Committee, but no proposals for retrenchment were ever laid before the Committee.

About eighteen months ago, when the Government were faced with financial trouble, they created a Special Retrenchment Committee with Sub-Committees, but the Standing Finance Department was left out, and was deprived of its legitimate function. The third function of the Standing Finance Committee is to scrutinise all proposals for unavoidable expenditure. Mark the word all, because I am going to discuss this thing just now. Expenditure of minor importance are placed before the Standing Finance Committee, but bigger expenses which affect the general expenditure of the Government of India are concealed from the Standing Finance Committee, and were not laid before this body. The Department has got a rule that there is no need of sanctioning all expenses which are within the power of the various Departments or any subordinate authority. The Departments have got a right to appoint any person on a salary—I do not

remember exactly what the amount is—but probably it is Rs. 500 or Rs. 600. The Departments have power to appoint for a period of two years any person whose salary may be Rs. 2,000 or Rs. 2,500, and the sanction for these posts need not be obtained from the Standing Finance Committee at all. There is also the lump sum grant by which a Department is authorised to undertake an expenditure amounting to about Rs. 20,000. I think the Honourable the Finance Member will say on the floor of the House whether these facts, which I am now stating here today, are not correct. Now, if these big undertakings are taken by the Department without any reference to the Standing Finance Committee, I do not see any use of that Committee. The number of items of expenditure that come before the Standing Finance Committee is much less than it used to be some years ago, and the things, for which sanction had been given by the Standing Finance Committee about two years ago, are being taken by the Departments themselves, and the sanction of the Standing Finance Committee is not considered to be necessary. The result is that the entire Budget of 1933-34 was disposed of by the Finance Committee in two days sittings of about 2½ hours each. Now, this method of disposing of the whole of the Budget in two sittings, without any particulars of items of expenditure of sufficient importance being discussed, is, I think, not very healthy.

The next point I would take into consideration is the question of loan. No doubt the question of loan is a question of policy, but we are responsible for the payment of interest, and it is an item of expenditure. Before the loans are incurred, it is desirable that the Standing Finance Committee ought to be consulted. Otherwise we should not be called upon to pay interests on loans which have been incurred by the Government of India. Therefore this is an important item which ought to have been laid before the Standing Finance Committee.

The next point is the control of the Standing Finance Committee. The control of the Standing Finance Committee is not so tight as it is in the United Kingdom. The Honourable the Finance Member would probably know the amount of control which the Treasury has over all the departments of expenditure in the British Government. They have also got an expert in each Department in the Treasury who fully scrutinizes the expenditure in that direction. Now, this question of control is pending at the present moment in the Finance Department, and I would, therefore, appeal to the Finance Department, through this House and through you, Sir, that this Standing Finance Committee, if it exists at all, ought to function properly as was contemplated in 1922, i.e., all the questions of expenditure should be laid before it, all loans, if we are required to pay the interests on them, and the appropriation of funds should not be allowed without the permission of the Standing Finance Committee; and no new appointments should be made even for a temporary period or for a small period without the matter being discussed fully by the Standing Finance Committee. As we are now on the eve of Constitutional Reforms, probably the power of the Assembly would very much be changed, and I would request the Honourable the Finance Member just to take the Standing Finance Committee more and more into his confidence, so that we may give substantial assistance from the point of view of the tax-payers, and I appeal to my Honourable friend that this Committee should not be made to exist only as a debating club where we talk and go home afterwards. Sir, these are the observations that I have to make.

[Dr. Ziauddin Ahmad.]

Sir, when we discussed this question last year, a few very important points were put forward before the House but none of these things were answered from the Government Benches. Mr. Thampan last year pointed out that the members of the Standing Finance Committee should be elected by the elected Members of the Assembly. Sir Hari Singh Gour emphasised many important points on that occasion and Mr. Gaya Prasad Singh advocated the device of a suitable method to make the Standing Finance Committee more effective. Mr. Sitaramaraju called this Finance Committee really a pocket edition of the Assembly and he said that as is the Assembly ineffective, so is the Standing Finance Committee. Mr. Joshi, on that occasion, said that the only question was whether the Opposition should be allowed some share in framing the financial proposals of the Government of India. These were the points which we raised on the floor of the House last year, and, I am afraid, that the position of the Finance Committee today has not improved. But, if it has changed, it has changed in the negative direction. The function of the Standing Finance Committee, as contemplated by the Honourable (now His Excellency) Sir Malcolm Hailey, was to scrutinise the main Budget prior to its discussion by the House. From this it is really implied that the whole volume of the demands should be laid before the Finance Committee and we should be permitted to consider the expenditure as a whole; that is, not only certain items which may be brought forward here and there in a scrappy manner, but we should have an opportunity to consider the Budget as a whole, and then and then alone we would be in a position to say how far the taxes would be necessary. But here this opportunity is not given to the Finance Committee. Many motions were guillotined on Friday last, without giving an opportunity for scrutiny either to the Legislative Assembly or, as Mr. Raju said, to its pocket edition.

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The next point I would take into consideration is the question of loan. No doubt the question of loan is a question of policy, but we are responsible for the payment of interest, and it is an item of expenditure. Before the loans are incurred, it is desirable that the Standing Finance Committee ought to be consulted. Otherwise we should not be called upon to pay interests on loans which have been incurred by the Government of India. Therefore this is an important item which ought to have been laid before the Standing Finance Committee.

The next point is the control of the Standing Finance Committee. The control of the Standing Finance Committee is not so tight as it is in the United Kingdom. The Honourable the Finance Member would probably know the amount of control which the Treasury has over all the departments of expenditure in the British Government. They have also got an expert in each Department in the Treasury who fully scrutinizes the expenditure in that direction. Now, this question of control is pending at the present moment in the Finance Department, and I would, therefore, appeal to the Finance Department, through this House and through you, Sir, that this Standing Finance Committee, if it exists at all, ought to function properly as was contemplated in 1922, i.e., all the questions of expenditure should be laid before it, all loans, if we are required to pay the interests on them, and the appropriation of funds should not be allowed without the permission of the Standing Finance Committee; and no new appointments should be made even for a temporary period or for a small period without the matter being discussed fully by the Standing Finance Committee. As we are now on the eve of Constitutional Reforms, probably the power of the Assembly would very much be changed, and I would request the Honourable the Finance Member just to take the Standing Finance Committee into his confidence, so that we may give substantial assistance from the point of view of the tax-payers, and I appeal to my Honourable friend that this Committee should not be made to exist only as a debating club where we talk and go home afterwards. Sir, these are the observations that I have to make.

**Mr. N. M. Joshi** (Nominated Non-Official): Sir, my Honourable friend, Dr. Ziauddin Ahmad, referred to what I said last year on this question. I wish to make my position clear. What I said last year was this that, so far as the responsibility for the framing of the Budget is concerned, it must be taken by the Government themselves, and the Assembly, through its Committee, should not take any responsibility for it. I hold that if a Committee of the House becomes responsible for the framing of the Budget, the power of the Legislature for criticising the Budget is to that extent weakened. Government should take the responsibility for framing the Budget and the Non-Official Members, who really form the Opposition, should not take upon themselves any responsibility for the framing of the Budget, but they should make it their business to criticise the Budget as introduced in the Legislature. The Standing Finance Committee was originally formed, so far as I remember, for the purpose of scrutinising new items of expenditure and nothing more. To that proposal I have no objection, but if it is intended that a Committee of the House should be formed to go into the whole of the Budget and that that Committee should give a sort of approval to the Budget introduced by the Government, then, I think, Mr. Deputy President, it is a wrong method of proceeding.

What I would suggest, in order that the House should have a greater control over the finances of this country, is this. In the first place, the House must organize itself properly. That is the only method of effectively criticising the Government's Budget. If we are not organized, then certainly there will be waste of time and our criticisms will not be effective. Secondly, I also hold that the days given for the discussion of the Budget are really too few. The number of days for the discussion of the Budget must be increased and there should be proper organization. I think if we have these two things, there will be greater criticism of the Budget of the Government and the criticism will be more effective.

**Mr. Gaya Prasad Singh** (Muzaffarpur *cum* Champaran: Non-Muhammadan): Sir, I have been a member of the Standing Finance Committee, continuously since 1924, and I would like to say a word or two in addition to the observations that have been placed before the House by the previous speakers. Sir, I quite admit that the object for which this Finance Committee was established in the year 1921 is not being fulfilled by the sort of work which we are called upon to do. My Honourable friend, Dr. Ziauddin Ahmad, has quoted the speech of Sir Malcolm Hailey who was at that time the Finance Member. I will not read out what he has already said, but I will just draw pointed attention of the Government only to one little passage in which 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."

From the latter portion of this sentence, I understand that the question of considering the Budget should also have been assigned to the Standing Finance Committee before it is actually placed before the House. If that is so, I quite agree with my Honourable friend, Dr. Ziauddin, that we are not permitted to see the Budget as a complete picture in itself. Proposals from different Departments of the Government of India come to us, bit by bit, and, in the absence of any other material to the contrary, we have

to take most of these things on trust. If a proposal comes from a certain Department saying that some urgent piece of work is necessary in a certain place, we certainly have no course open to us to find out whether it is really as urgent as it is pointed out. Of course I quite admit that the Department might be bringing forward only those proposals which they consider to be absolutely necessary. But the members of the Committee have no independent means of finding out whether those proposals are so urgent or not. I will just give an example. The question of our expenditure on the Andaman Islands has for so many years been looming large in the meetings of the Standing Finance Committee, and we have been persistently calling for reports showing the whole economic and financial commitments in the Andaman Islands; but, in spite of our repeated reminders, which are on record, no complete picture has been shown to us, and I think my Honourable friend, the Finance Member, will agree with me that only the other day we showed our dissatisfaction by reiterating our demand that the whole picture should be placed before us and all the work in connection with the different Departments, so far as the Andaman Islands is concerned, should be co-ordinated and consolidated into one report.

There is only one more point which I should like to say in this connection, and it is this: that the proposals of the different Departments do not come to us quite sufficiently in advance of the time at which the meeting is called. Sometimes it happens that we receive the papers in the night when the meeting is called for the next day, and even when the House is sitting, and we are engaged in other work connected with the Assembly; so we do not get sufficient time to study the papers thoroughly. I submit, this is a procedure which can be rectified by the Finance Department or by the other Departments concerned; but so far as the more fundamental objection to the present procedure of the Standing Finance Committee is concerned, that is, that the Budget as a whole should be placed at their disposal for scrutiny and consideration by the Standing Finance Committee before its presentation in the Assembly, that is a question on which I am not competent to give an opinion myself. I do not know myself the practice that obtains in the House of Commons or elsewhere; but judging from the statement that has been made by Sir Malcolm Hailey in this House, to which reference has been made, I think, that if that was the intention of the Government, my Honourable friend, the Finance Member, will admit that that intention is not being carried out in actual practice. The reports and the records of the Standing Finance Committee in former years were rather meagre and scrappy; but through the efforts of some Honourable Members and readily approved of by the Honourable the Finance Member himself, we are having very full reports of those items which have been coming up for disposal by the Standing Finance Committee; but the purpose, to which my Honourable friend, Dr. Ziauddin Ahmad, referred, is certainly one which ought to be kept in view, and the scope of the Committee should be enlarged, so that the Committee, as the representative of the Assembly, should be in a position to discharge their duties more effectively and to better purpose in the interests of the country than they have been permitted to do.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I was never a member of the Standing Finance Committee; but I have always read very carefully its proceedings. I entirely

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disagree with my friend, Mr. Joshi, about the function of the opposition in this House as compared with the official opposition in the British Parliament. Mr. Joshi thinks that we should follow their example; but, really, the functions are quite different. The official opposition in the British Parliament expect that if they can prove by their criticism that the Government's proposals are not sound, they have some expectation to do it for themselves; but here in this House, with an irremovable and an irresponsible Treasury Bench, all that we can expect to do is to influence their decision. There is no chance for the opposition to initiate their programme at any stage of the Budget. So, I think, the Honourable Mr. Joshi made a fundamental mistake in advising the House that we should copy the British example. I think there is an "Estimates Committee" of the British House of Commons and before the Budget is laid before the Parliament, the Committee goes through the Budget in detail, I think, more or less with the purpose of influencing the decision of the Government. It is well known that once Government make up their mind in India, it is very difficult, even when they are convinced that they are doing something very very wrong, to dislodge them from that position. So, if there is any chance to influence them, it is before they form their opinion in an earlier stage in a Committee like the Standing Finance Committee. So I think that, instead of merely copying British institutions, not having the substance of real power in the hands of the Non-Official Members, it is far better that the Standing Finance Committee should get some chance before the Budget figures are finally accepted by the Government to influence their decision.

I further see that the Standing Finance Committee did not always get a full picture of any demands that are made about any new grants. It has been found that generally the official representatives before the Committee come and press on the Committee that there are certain urgent demands for fresh grants, and then the Standing Finance Committee is certainly placed in a very awkward position. They cannot either refuse when the responsible officers of the Government demand it, neither on the other hand, are they conversant with all the details of past transactions of which the proposals form a mere part. So it is very difficult to get the whole picture and to take the responsibility, either of accepting or refusing the grant. So, usually, they are forced to accept the proposals, because they feel that it is unfair to deny grants without having any responsibility for the same. For all these considerations, I think, as has been suggested by my friend, Dr. Ziauddin Ahmad, and so ably supported by my friend, Mr. Gaya Prasad Singh, who are very old members of the Standing Finance Committee, that the Standing Finance Committee should have greater opportunities to get a better and fuller picture of the demands that are made of them, and that before the Budget Session they should have a full chance to go through new items in the coming Budget. With these words, I conclude my remarks.

**Mr. G. Morgan** (Bengal: European): Mr. Deputy President, I do not agree with what has fallen from my Honourable friend, Mr. Mitra, when he says that the Standing Finance Committee is not placed in possession of the full facts of cases which are put up before them. I have been on the Standing Finance Committee now for two years, and although, I must

say, two years ago I was not at all satisfied with the way in which cases were put up,—the Honourable the Finance Member will probably remember that I made the point almost at the first meeting of the Standing Finance Committee at which I was present,—that cases were put up in a very indifferent form they were put up in a far too verbose condition and we had enormous masses of stuff which we could not go through. But all that has been changed. The cases now are put up in a very concise form, all references to cases that have been previously discussed are attached, and I do not think that there is any member of the Standing Finance Committee who will say, if he reads the papers,—I repeat,—if he reads the papers, that he has any difficulty in understanding the cases which are put up before the Standing Finance Committee.

I should like to endorse what my Honourable friend, Mr. Gaya Prasad Singh, said in regard to circulation of papers. I must say that I do think we get these papers sent to us with very short time to study them, but explanations are put before us by the Finance Department which are not always acceptable. In many cases we think that the Department could certainly have put up the cases earlier; in some instances cases could have been put up to us in Simla which were not put up to us till we came to Delhi. Such delay should be rectified.

With regard to what my friend, Mr. Joshi, said, I do think there should be some re-arrangement about the discussion of the Budget in this House. It is perfectly absurd that the Standing Finance Committee having been as it is at present constituted, and functioning as it does at present, we should not be able to have a better form of discussion than the one we finished last week, in which, I think, 85 out of 99 grants were guillotined. Amongst the guillotined grants, there were some of most vital importance, and no one has had an opportunity to make any remarks or to give any opinion on them at all. There is something very wrong both with regard to the Railway Budget discussion and the General Budget discussion, because, not having any Committee beforehand, whatever you call it, the Estimates Committee or the Ways and Means Committee, there is absolutely no chance given to this House to discuss all the individual demands for grants, and I think that is not right, and this should be rectified before we come to the next Budget for 1934-35. But with regard to the question as to what the Standing Finance Committee should discuss, I am afraid I am not competent to say what it should do. I do not know the actual method by which the House of Commons discusses Estimates and Demands. I understand that they go into Committee, called the Ways and Means Committee, and discuss estimates beforehand, but I do think, and I hope the Honourable the Finance Member will be able to give us some assurance on that subject, that we certainly should have an opportunity, in some form or another, to discuss the demands for grants before the Budget is actually placed on the table of this House.

**Mr. B. Sitaramaraju** (Ganjam cum Vizagapatam: Non-Muhammadan Rural): Sir, I wish to make only one point. In the matter of preparing these estimates, there is much to be desired. If these estimates are prepared with greater accuracy, there would be no need for innumerable supplementary grants that are brought before this House from time to time. Another difficulty is, when we sit in this Committee, we have to

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do more or less the work of the Public Accounts Committee by way of a *post mortem* examination. I hope the Honourable the Finance Member will take a note of our views and see that the estimates are prepared with as much accuracy as possible so as to avoid coming up here with supplementary grants as far as possible.

**Major Nawab Ahmad Nawaz Khan** (Nominated Non-Official): Sir, as a new Member of the Standing Finance Committee, I do not wish to say much about the procedure. But there is only one point on which I wish to speak and it is this, that if the whole Budget is laid before the Standing Finance Committee for discussion knowing well as we all do that the way in which Members ask for information for their satisfaction, I think the Committee will not be able to get through all the demands even in two years. If the Government wish to satisfy the Members of the Standing Finance Committee fully, then there is no hope of placing the Budget before the Assembly here. Because the Standing Finance Committee will not be able to get through all the demands in the Budget even in two years. So, I say, there is no need of placing the whole Budget before the Committee, and only the urgent demands should be placed before the Standing Finance Committee.

Generally, the questions that are put up before us are not very complicated and need not take days and weeks for consideration, but it is seldom that we do not get sufficient time to go through the material supplied to us. I think what my friend, Mr. Gaya Prasad Singh, has said is right, that sometimes we get the material a night before the meeting, but if we are given all the literature a few days before, it will help us considerably.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): Mr. Deputy President, not having been a Member of the Standing Finance Committee, and not having had the advantage of knowing the procedure followed there, I tried to look at this question purely from the constitutional point of view.

Sir, reference has been made to the Estimates Committee of the House of Commons. The purpose and the scope of the Estimates Committee of the House of Commons has not been, I am afraid, correctly appreciated. The Estimates Committee was the result of a suggestion that was first accepted in 1912 in the House of Commons. It is a new Committee that has come into existence within the past few years, and during the war years it is well known that it did not function. It was suspended. Now, the purpose of the Estimates Committee in the House of Commons is explained by a very recent author on the procedure of the House of Commons. Its order of reference is as follows:

"To suggest a form in which the estimates shall be presented for examination and to report what, if any, economies consistent with the policy implied in these estimates may be effected therein."

Now, there are two fundamental positions which concern the Estimates Committee. First of all, the form in which the estimates are to be presented, and therein comes the whole question my friend, Mr. Morgan, raised about the possibility of this House exercising sufficient control at the voting stage on the various demands. This is the first Legislature,

Sir, where I find that no time is fixed for any demands separately. It was only by convention and by the agreement arrived at among various Leaders of Parties that we were able to discuss particular demands at any particular time. If that agreement was not forthcoming, perhaps on the very first demand we might have occupied all the five days that had been allotted for the discussion of grants. I agree that in a Budget of over 100 crores, and a volume extending to 100 pages, it is certainly not fair to expect us to dispose that of, or, even a comparatively good portion of it to be disposed of in the course of five days . . . . .

**Mr. F. E. James** (Madras: European): In the Provinces they give 12 days.

**Diwan Bahadur A. Ramaswami Mudaliar**: Three days for general discussion and nine days for voting of grants . . . . .

**Mr. F. E. James**: No; 12 days are allotted for the voting of grants.

**Diwan Bahadur A. Ramaswami Mudaliar**: Madras has a very much smaller Budget of about 18 crores, Bombay too has a much smaller Budget, and it is not fair to expect us to go through the whole Budget and dispose it of in five days. I think it is high time that this House made its protest against the shortness of time allowed. In the House of Commons, 20 days is the minimum allowed. I hope the Standing Finance Committee will bring prominently to the notice of the Finance Member and, through him, to the notice of His Excellency the Viceroy that two very necessary reforms should be carried out: first is the extension of time for the voting of demands so that at least 30 or 40 demands out of the 80 or 90 demands may be disposed of by this House, and, secondly, as a sort of individual guillotining of the various demands instead of putting a final guillotine on all the demands that have not been disposed of.

My Honourable friend, Dr. Ziauddin Ahmad, who is a very good student of financial matters, says that attention has been drawn to that question. If so, I can only express my disappointment and the disappointment of the House that no steps have been taken in that direction. Again, I understood Dr. Ziauddin Ahmad to say that the Finance Committee should have an opportunity of discussing the economies that have been carried out in the various Departments. That, Sir, is specifically within the powers of the Estimates Committee of the House of Commons. They are precluded from discussing policy, but they are certainly entitled to discuss what economies can be made in the demands. I should like to make a distinction in the Budget Estimates that come up. There are, what are called, standing sanctions, that is to say, items of expenditure which are repeated from year to year and on which no fresh or new decision is required in any particular year. Then there are items of new expenditure which are brought forward generally before these Committees. I understood the procedure at least in the Provincial Legislatures to be that new items of expenditure are put before the Committee and then, at the final stage, a certain conspectus of the whole Budget is presented to the Finance Committee, and it is, at that stage, that if any economies can be thought of, they can be suggested within the policy accepted by the Government. I should like to make this perfectly clear, because I thought, during the course of discussion, there was some amount of confusion. It is impossible for any Finance Committee to go into the question of a



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Finance Bill. The proposals in that direction must originate from the Government. They cannot take anybody into their confidence at that stage. It is clear that the Finance Bill must come as a shock to the House on the 28th February, when the Finance Member makes his Budget Speech. So also with reference to loan operations, it is perfectly clear that nobody can be taken into confidence about the prospects of a loan being floated or about the necessity for a loan. These are two things in which no member of the Standing Finance Committee or the Committee as a whole will claim that they should be taken into confidence. But I do think with reference to economies within the policy which is being pursued by the Government that the Finance Committee should be taken more into confidence.

Particularly this year and last year we had a number of Retrenchment Committees working and, as the proposals of the Retrenchment Committees had to be examined by the Government and final decisions had to be arrived at, it was quite open to the Government and, I think, it would have been fairer to the Finance Committee if Government had taken the Finance Committee into their confidence before final decisions were arrived at on those Retrenchment Committees' proposals; at any rate I suggest where the Government were not able to see eye to eye with the Retrenchment Committees' proposals and were not in a position to accept them, it would have been well from their own point of view, and they might have avoided a great deal of criticism on the floor of the House, if they had explained to the Finance Committee why and for what reasons they were not in a position to accept either *in toto* or to a very considerable extent the suggestions that were made by the various Retrenchment Committees. That, Sir, is the position that I feel confident in putting forward with reference to the Standing Finance Committee of this House.

I think that there is a great deal of justification for one complaint also that has been made by the members of the Standing Finance Committee. I have myself gone through the proceedings of the Finance Committee. It is perfectly clear that, on some occasions at least, notice given to them is so short that no Member, even if it be Mr. Morgan, with his tremendous capacity, can study the reports that are placed before him and do justice to the proposals that come up. Supposing a series of papers are put up before me in the evening and I am asked to attend a meeting of the Standing Finance Committee at 11 o'clock next morning and give my opinion, we have not got the advantage of being administrators in charge of these Departments so that we can pick up the point at a moment's notice and place our views before the Committee. We do want references, we do want to go into the Library and study these questions. Therefore, I think that the members of the Standing Finance Committee have a just grievance that very important questions are sometimes rushed through and inadequate notice is given to them. I am not making a complaint against the Finance Member with reference to these matters. I do not think the Finance Committee members either want to make a complaint against the Finance Member directly, but they are bringing forward these things, which perhaps they have done in the Finance Committee also,—they are bringing forward these things openly on the floor of this House, so that their colleagues may know exactly where they stand and how far they have been able to discharge their functions. This is the proper time—when

the House is called upon to elect members of the Standing Finance Committee, when the members of the Committee do sometimes get severe criticism from the Members of the Assembly as they did on the Railway Finance Committee—that my friends should make their position clear and place before the House the exact limitations under which they have to work. It is in that spirit that I have been making these remarks, and I understand it is the same spirit in which Dr. Ziauddin Ahmad made his remarks also, and I trust that the Finance Member will be in a position, if not today, at least at some future time, to give consideration to the suggestions that have been made.

**Mr. R. S. Sarma** (Nominated Non-Official): I crave your indulgence to reply to one point which Dr. Ziauddin Ahmad has made and which has not been replied to, namely, the suggestion that the election to the Standing Finance Committee should be confined to Elected Members and that Nominated Members should not be allowed to vote. Sir, I want to say this, that so long as the Nominated Members form a part of this House, I do not know why and how they could be excluded from exercising their right. With regard to the other insinuation to which I attach more importance, namely, that the Nominated Members are toadies and do not bring to bear an independent judgment upon matters that come before the Committee, let me say that the Nominated Members on the Standing Finance Committee have taken a more independent attitude than many Elected Members. And, if you call us toadies, I may state that no repressive legislation, no measure which is considered reactionary, can be passed through this House only with the support of the officials, the European Group or the Nominated Members alone without the help of at least a dozen elected toady Members of this House, and my contention is that the privileges that are extended to elected toadies ought not to be denied to nominated toadies, granting that they are toadies.

**Dr. Ziauddin Ahmad:** The Honourable Member is making an imputation himself. I did not say anything of the kind. I only quoted Mr. Thampan.

**Mr. K. P. Thampan** (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I ventured to make a few suggestions last year in connection with the constitution of the Standing Finance Committee and I do not wish to repeat here what I said then. I wish, however, to say a few words in regard to one of the points made by my Honourable friend, Diwan Bahadur Ramaswami Mudaliar. He said that it would not be possible to refer the Finance Bill to the Standing Finance Committee. I do want that the Finance Bill, after being introduced in the Assembly, should be considered by the Standing Finance Committee.

**Diwan Bahadur A. Ramaswami Mudaliar:** That is another matter. I was not referring to it.

**Mr. K. P. Thampan:** Of course, not exactly that. What I am suggesting is that it should be subjected to very careful examination by the Standing Finance Committee, so that they might give a lead to the other Members of the House in regard to the vital issues involved in it. It is a serious responsibility that we are discharging here, particularly with regard to new taxation proposals, and if the Standing Finance Committee will give

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us a lead, it will help us to concentrate the discussion on those points. I, therefore, suggest that hereafter the Finance Bill should be referred to the Standing Finance Committee after its introduction in the Assembly.

**Mr. Muhammad Muazzam Sahib Bahadur** (North Madras: Muhammadan): While I fully endorse whatever has fallen from Honourable Members, who have just spoken, barring Major Nawab Ahmad Nawaz Khan, I cannot but express the hope that the Finance Member will take into consideration the fact that we are very much handicapped by the way in which certain items are entirely excluded from our scrutiny and that we are not in a position to express ourselves on the way in which economies can be effected. As regards the statement made by a certain Honourable Member just now that the way in which cases are put up before us is not very satisfactory, I beg to differ. I fully endorse every word of my Honourable friend, Mr. Morgan, and I appeal to the Finance Member to take a more rational view of the position. It has oftentimes struck me that the matters which should come up before the Standing Finance Committee are being contracted rather than expanded during the last two years, and this points to the fact that the Government of India want to hand over to the next Federal Legislature a legacy which would be free from every embarrassment and complication. It looks as if the Government of India want to ease matters as far as possible, so that when the Finance Member hands over his portfolio to the next Finance Minister, matters may go on as smoothly as possible in the next Federal Government. With these words, I support the motion.

**Mr. S. G. Jog** (Berar Representative): I had the good fortune of associating myself in the Standing Finance Committee in the last two years, and I would like to place before the House what little experience I had in the Standing Finance Committee. I must congratulate the Finance Member on the fact that when papers are placed before the Standing Finance Committee, it is no doubt true that he often agrees with the elected Members of the Assembly, but, at the same time, I must point out to him that the time at our disposal is very short. My friend, Mr. Mudaliar, does not probably know that it is only a day previous that the papers are sent to us. Sometimes a peon comes to us at 12 at night, knocks at the door and hands over a bundle of papers marked urgent for the meeting next day. Another complaint I should like to make is this. It is really high time that powers of the Standing Finance Committee are expanded. Although it is no doubt true that the new Constitutional Changes are about to come in the near future, still the Honourable the Finance Member should prepare the ground for people to study these questions more carefully.

Another thing is this. Last time, in the Simla Session, Sir Alan Parsons was there, and, before the proposals actually came up, he gave us an idea of what the financial position was. That enables us to decide as to how we should approach the several proposals that come before us. No such thing is done by the Finance Member. If, before the proposals are discussed, he gives us some idea as to what the financial position is, that will place the Standing Finance Committee in a position to judge of the merits or otherwise of the several proposals that are brought forward.

Then, the question, as to what relief should be given to the tax-payer and to the service people, is never placed before the Standing Finance Committee. None of the Members of the Standing Finance Committee are taken into confidence as to what action Government should take and what should appeal to the House. For instance, this time when the question of the partial restoration of cut in pay was decided upon, the Finance Member never approached the members of the Standing Finance Committee as to whether it should be done or should not be done. If he had approached us, we would have given him a scheme which would have given satisfaction to people all round, the tax-payers as well as the service people, but the Finance Member never thought us worthy of that confidence; but, I may assure him, that the confidence will be fully justified. I welcome the suggestions that have been made, and I would strongly appeal to the Finance Member to give them his favourable consideration.

**Mr. N. R. Gunjal** (Bombay Central Division: Non-Muhammadan Rural): (The Honourable Member spoke in the vernacular, a translation of which will appear in a later issue of these debates as an Appendix.)

**The Honourable Sir George Schuster:** In many respects I very much welcome the discussion that has taken place this morning. I welcome it as being myself a very keen member of the Standing Finance Committee who has on many occasions felt that the work done in the Standing Finance Committee is not properly appreciated by this House. I also welcome it as a Finance Member who has always felt that the interest of the representatives of the public in the expenditure which the Government ask them to vote is one of the greatest helps which he can receive in keeping down that expenditure. Therefore, I greatly welcome any interest shown by the House in the procedure and in the way in which they can discuss the expenditure proposals which are put before them every year. I may say that I have already, in the course of the discussions which have taken place this year, appreciated a change in the manner in which the House deals with them.

Sir, I do not wish to make a controversial speech by way of a reply to the criticism that has been made by the Opposition Parties 1 P.M. of the Government; at the same time, I think it is fair to point out that if this House complains that they do not have sufficient time to discuss the Grants on their merits, it very often is the fault of the Honourable Members themselves. Sir, if I look back on the early days of Budget discussions—with which I made a favourable comparison just now as to what has taken place this year,—I recall long days spent on the floor of the House on the discussion of purely constitutional issues, on the vote for the allowances of the Members of the Executive Council, and other days spent on other matters, all important, no doubt, but wholly irrelevant to any discussion on the Demands for Grants. This year, Sir, I think the House has devoted quite an unusual percentage of the time available during the five days' discussion on Grants to actual discussions on expenditure. But I would remind my Honourable friend, Mr. Joshi—who is one of the chief critics of Government in this respect and who has just asked for more time—that he had a whole half day allotted to him and that, in the course of that half day, he did not, I think, make a single illuminating remark as to Government's expenditure; the only proposal which he put forward was one which would have involved a



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substantial increase in the money that we were asking the House to vote. Sir, I make these remarks not in any controversial spirit, but because I feel that if we are to get down to serious discussion of Government expenditure, we cannot achieve success unless the Honourable Members opposite play up. They must help us in achieving such an objective.

Now, there have been various points raised in the course of this discussion. There have been particular criticisms and complaints about the way in which the Standing Finance Committee's business is conducted and there has been a very wide issue raised by my Honourable friend, Dr. Ziauddin Ahmad. Before I deal with the other points, I would like to say that my Honourable friend has taken me considerably by surprise in this matter. No doubt I ought to have anticipated that questions of this kind would have been raised, because something of the kind was raised last year, but unfortunately I was indisposed and unable to attend the House when this motion came up last year; and, therefore, although I read the report of what had been said, it did not make the same impression on my mind, as it would have, if I had been present. I do think, my Honourable friend, who is in close touch with me and who attends all the meetings of the Standing Finance Committee, might have raised these questions in the course of our discussions in that Committee. My Honourable friend cannot, I think, complain that I am averse to discussing any question which is raised or that I restrict the Standing Finance Committee in the course of its discussions. I think it would have been very valuable if he had brought these matters up and thus enabled us in the Standing Finance Committee to have some preliminary exploration of the ground before it was discussed on the floor of this House.

Now, as regards the points of detail, I have not very much to say. I know that it often happens that papers do not get into the hands of members of the Standing Finance Committee with as long a notice, as they themselves would desire, for a study of those papers. But, I am sure, they realize the difficulty that we have in dealing with Departments in getting them to put up papers in good time. I am very glad that they have raised a criticism this time, because it will help the Finance Department in addressing very strong communications to the other Departments. But there is one thing I would say, namely, that I cannot remember a single occasion on which if the Committee asked for more time to consider a particular proposal, or for fuller information, I have not agreed to a postponement of the consideration to a later meeting. I am sure that all members of the Committee who are present today will bear me out in this. I quite agree with a great deal that has been said to the effect that the Standing Finance Committee, which only has the opportunity of scrutinising isolated proposals for expenditure, cannot by virtue of exercising that function, exercise a general control over the expenditure policy of the Government. Nevertheless by scrutinising these isolated proposals, they can exercise a very important influence. The proposals which come before them are all proposals for new services, and those proposals sometimes are unimportant, but very often are extremely important. Now, to follow out the practical side of this business, I would like to call the attention of the House to one particular case which very well illustrates the point I want to make. My Honourable friend, Mr. Gaya Prasad Singh, who is the oldest member, I believe, of the Standing Finance Committee, and who certainly has been a member of it ever since I came to India, will remember that, at one of their very earliest meetings at which I

presided, the whole question of the Government's policy as regards civil aviation came up. He will remember then that I said to the Committee: "Here is the first item of an important new branch of policy. You must realize that this is not the end. This is only the first step and if you agree with this policy, you will be definitely embarking on something which is going to commit the Government to a very substantial expenditure". I think the Committee fully appreciated that, and that was an example of a start being made in a new branch of expenditure which came before the public representatives from the outset. Now, as a sequel to that, on every occasion when the demands for grants came up, I said to the members of the Standing Finance Committee: "this is a matter on which the representatives of the public should express their opinion. It is going to cost the Government a great deal of money in the long run and it should be debated on the floor of the House". I suggested it to them that they should arrange with their Parties that that particular grant should be selected under the convention for discussion of grants on the floor of the House. But no advantage was taken of those suggestions. Honourable Members preferred to take the opportunity of the discussion of the grants in order to raise matters of general policy, and thus an opportunity was lost of discussing what has been one of the most important new decisions as regards finance which has been taken during the five years when I have been here. Now, I commend that short story to the attention of Honourable Members opposite, because it does illustrate what their opportunities have been and how, if full advantage has not been taken of those opportunities, the fault really does not lie with Government, but lies with the Honourable Members themselves.

Now, Sir, my Honourable friend, Dr. Ziauddin Ahmad, has raised the whole issue as to whether the Standing Finance Committee performs sufficiently valuable functions now. He referred back to the original statement made by Sir Malcolm Hailey when he announced Government's intention to set up a Standing Finance Committee. I do not think that I need take the time of the House now with any detailed account of past history in this matter. I would only remind my Honourable friend that after that general statement of policy, when the Committee was re-appointed in 1922, the Assembly asked for a clearer definition of the functions of the Standing Finance Committee, and then a much more detailed statement was made. It was then found that there were considerable difficulties in providing for the exercise of those functions and a memorandum was prepared on the functions and procedure of the Standing Finance Committee which has always been reproduced on the pamphlet which is issued from time to time on the matter. So that the House knows very well how the present procedure has arisen; and I would only like to say that, as far as I am concerned, I found this procedure in force when I came to this country at the end of 1928, and certainly I do not think the Standing Finance Committee can suggest that in the course of my period as Chairman of it those functions have been restricted or that it has not been encouraged to take advantage of every opportunity to go into matters of public expenditure. Whether that is the best procedure or not, or whether something better than that can be devised, is quite another question. I think it is quite possible that something in the nature of an Estimates Committee, which could every year scrutinise the way in which Government was carrying out its policy and investigate whether that policy could not be carried out in cheaper ways, might be very useful. But it will require the very careful attention of those

[Sir George Schuster.]

Honourable Members who sit upon it, and there we are up against this great difficulty of finding adequate time, and the difficulty also of the size of India.—a difficulty which means that we have to get members together from all over India some time before the Session. All these matters do constitute much greater difficulties in India than exist in England; and if there is to be an Estimates Committee which is to perform any useful function, then its success depends on its being possible to find a number of public-spirited men with requisite qualifications who will be prepared to make themselves more or less professional members of that Committee. If there are such public-spirited men, I think the public interest will benefit considerably from their activities. But, Sir, as a practical question, what ought we really to do now? It is a little curious that criticism of a procedure which was a direct result of the reforms of ten years ago should now come up practically in the last year of that period. Is it really worth while to alter the procedure and try to set up something different now? I put that to Honourable Members: I want to know what they think about it. It might be that it would be useful even now to try and get something new going so as to gain experience in advance which would be useful under the new Constitution. It certainly is a point on which I would not give a definite negative without considering the matter, but, of course, it is also a point on which I can certainly make no positive pronouncement without time for careful consideration and for consultation with my colleagues. But if the House seriously desires to consider some change in the procedure, then, I suggest, that the various Parties should talk to their representatives on the Standing Finance Committee, and, if the Standing Finance Committee desires to have a special meeting to discuss the matter, I shall have the greatest possible pleasure in arranging that. I warn them that I think there will be very great difficulties in providing anything that will be very useful, but I am quite prepared to go into the matter and consider what can be done.

That, Sir, is all that I need say at the moment. I would only like to say, before I sit down, that I resent,—and I am sure my Honourable friend will not mind my saying so,—I resent his suggestion that the Standing Finance Committee's work is not useful work. I can assure him that it has been of the greatest possible use to me as Finance Member and I hope, Sir, that he does not really believe what he himself said. I prefer to believe that he merely said it, in the heat of the moment, and as an advocate arguing a particular case in the House.

**Mr. Deputy President (Mr. R. K. Shanmukham Chetty):** The question is:

"That this Assembly do proceed to the election, for the financial year 1933-34, 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.

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. Deputy President (Mr. R. K. Shanmukham Chetty) in the Chair.

## ELECTION OF THE PUBLIC ACCOUNTS COMMITTEE.

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

"That the non-official Members of the Assembly do proceed to elect, in the manner required by rule 51 of the Indian Legislative Rules, four members to be members of the Committee on Public Accounts in place of Sardar Sant Singh, Mr. B. Das, Mr. Abdul Matin Chaudhury and Mr. Anwar-ul-Azim, who will retire in accordance with sub-rule (4) of the same rule."

The motion was adopted.

**Mr. Deputy President (Mr. R. K. Shanmukham Chetty):** I may inform Honourable Members that nominations for the purpose of election of Members to the Standing Finance Committee and the Committee on Public Accounts will be received in the Assembly Office up to 12 Noon on Wednesday, the 15th March, and the elections, if necessary, for both the Committees will take place in this Chamber on Monday, the 20th March, 1933. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

## THE COTTON TEXTILE INDUSTRY PROTECTION (AMENDMENT) BILL.

**The Honourable Sir Joseph Bhore (Member for Commerce and Railways):** Sir, I move for leave to introduce a Bill to amend the Cotton Textile Industry (Protection) Act, 1930.

**Mr. Deputy President (Mr. R. K. Shanmukham Chetty):** The question is:

"That leave be given to introduce a Bill to amend the Cotton Textile Industry (Protection) Act, 1930."

The motion was adopted.

**The Honourable Sir Joseph Bhore:** Sir, I introduce the Bill.

## THE INDIAN FINANCE BILL.

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

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Stamp Act, 1899, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923, be taken into consideration."

[Sir George Schuster.]

Sir, it is not customary for the Finance Member in making the motion that the Finance Bill should be taken into consideration to make any lengthy speech, and it is certainly not my intention to do so now, because if there was one point on which all who publicly commented on my Budget speech were agreed—friends and critics alike—it was that it was of an inordinate length, and, therefore, I do not want to take the time of the House with any further general explanation of the position. But there is just one point on which I wish to say a few words to the House and that is this.

Honourable Members will have received, I believe, with their papers on Saturday a summary table reviewing the position as regards retrenchment effected. I had this statement prepared or rather printed at the last moment in order to go, as far as I possibly could, to meet the wish which had been expressed by my Honourable friend, the Leader of the Independent Party. He is not in his place just now, but I trust his colleagues who are members of that party will call his attention to what I wish now to state. This particular statement I put forward with some hesitation and with a certain amount of apology, because the figures have not been exactly reconciled in every case, and Honourable Members may be able to point out one or two figures where there are discrepancies between what is said here and what has been said in other places. This really represents a statement compiled from returns which were submitted to Government by Departments at the end of December. They have been, so far as possible, reconciled, but I want to explain to the House that the compilation of a table of this kind and the checking of every figure involves an enormous amount of work. Last year I made a special point of preparing a table of this kind and the figures were exactly reconciled with all Departments, but that was possible, because we had two officers who were practically whole time on special duty—two very highly paid officers. They spent their whole time, occupied nearly two months in checking these figures, in going round all Departments, reconciling their statements and ensuring that everything was correct. Well, that I reckon was costing the Government something like Rs. 10,000 a month for two months. Now, this year we have had no special officers for that purpose, whereas, last year, Mr. Brayne and Mr. Nixon were both engaged upon it, and there have been further difficulties owing to the fact that the Budget Officer unfortunately went down with fever a week before the Budget. Simultaneously with that, all the Departments find very great difficulty in compiling the statements that we want, because they themselves, as a result of retrenchment, have cut down their staff considerably. Therefore, this table can only be submitted with reservations, and, as I have explained, I would not really have put it forward except that I was anxious to go as far as possible to meet the wishes expressed by Sir Abdur Rahim, and I would ask Honourable Members to regard it as a statement which may be useful to them in raising questions, but which I do not claim to be exactly accurate in every respect. On the other hand, I think I can fairly say that there are no important errors in it. Apart from that I have also been discussing with departments the possibility of giving any further information that may be required. A very full note has been printed and will be circulated today giving a review of the position as regards the Posts and Telegraphs Department. I think Honourable Members will find that valuable. Another

note giving the figures in greater detail as regards the Foreign and Political Department will, I hope, be ready for distribution tomorrow; and I have also a very full note prepared by the Auditor General analysing what has been done in the Audit Department under heads of Audit and Separation of Accounts from Audit, which, I think, Honourable Members also will find interesting and which will be distributed shortly. I trust, therefore, that Honourable Members will find these figures useful, but in the main of course I take my stand on the general position revealed in my Budget speech, that in fact there has been, on all heads taken as a whole on balance, a substantial reduction in expenditure. That, Sir, is all that I need say at the moment. I move.

**Mr. Deputy President** (Mr. R. K. Shanmukham Chetty): Motion moved:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Stamp Act, 1899, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923, be taken into consideration."

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Sir, the Honourable the Finance Member, in the closing remarks of his Budget speech, said he would leave to the new Government of India a house well stored and buttressed against all the storms which it may encounter. As my friend, the Finance Member, is thinking of the new Government that will come to occupy the Treasury Benches there, we on this side are thinking of those who will replace us two years hence and we are seriously thinking whether the present position, which the Honourable the Finance Member pictures, is the correct position, and whether that position could not be bettered now and also for our successors. I could not picture to myself a sound financial position for India without thinking that there has been no reduction in the Army expenditure. It is true that the different Retrenchment Committees have tinkered with retrenchment: so also the Army Retrenchment Committee have tinkered the Army Budget and 2½ crores were reduced. But the Federal Finance Committee, that inquired into the finances of India in 1932, drew up a report and based their whole recommendations taking the Army expenditure at 47 crores per annum. One or two of those, who represented India at the last Round Table Conference, represented the case of the defence cost for India properly at that Conference. But I find from the published document of the last Round Table Conference that these representatives somehow got cold feet. I find at the end of that Report there is a note from Sir Tej Bahadur Sapru and Mr. Jayakar jointly signed, asking the representatives of the British Government to include in the instrument of instructions in the new Government of India Act certain terms for the defence of India. It is to be found at page 198. They narrate it under (a), (b), (c), (d) and (e); and then they suddenly remember that the cost of defence for India should be reduced and then they suggest in (f):

"We strongly urge that a Committee should be appointed consisting of British and Indian experts for further exploring all avenues for the reduction of military expenditure to a level as near as possible to that existing before the War."

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LEGISLATIVE ASSEMBLY.

[13TH MARCH 1938.]

[Mr. B. Das.]

I am surprised that such a statement occurs in the note that was jointly signed by Mr. Jayakar and Sir Tej Bahadur Sapru; because, if I recollect aright, the first Round Table Conference appointed a defence committee, and also it was in the cognisance of these two friends of mine that the Military Charges Tribunal was at the time sitting in London, discussing how the question of the heavy military burden should be settled between Britain and India; and for these two gentlemen again to ask—I do not know whom they asked—perhaps the British Government—for the appointment of another Committee—suggests that they did not realise the importance of the issue; and I do not know whether the deliberations of the Federal Finance Committee or even of the Financial Safeguards Committee would prove to be of any advantage to India when they did not fix at all the cost of defence for India. One ray of hope I find in another page in a speech of Sir Purshotamdas Thakurdas. I find this point has been stressed a little more in line with what political India thinks and what this House has so often expressed. I refer to page 103 where, in a speech that he delivered while discussing defence, Sir Purshotamdas says:

"I have only to refer you, Sir, to the very excellent report of Sir Walter Layton, which is contained in the Simon Commission Report. A perusal of paragraph 248 of that Report will assure any one that there is no justification left for our military expenditure being at the figure which it is at today, namely, 47 crores, *plus* another five crores. I am convinced that India needs substantial reduction in this expenditure without delay, and if those reductions are not yet forthcoming, India will begin to feel that after all the remarks made by Sir Walter Layton are remarks which His Majesty's Government is not prepared to consider favourably."

This is very admirable sentiment, but I cannot understand, at the end of the last Round Table Conference, Sir Tej Bahadur Sapru and my old leader, who was a member of this House, Mr. Jayakar, asking in sentimental tones if His Majesty's Government would appoint a Committee to go into the cost of defence. If my Honourable friend, the Finance Member, wants to bequeath a well stored and well filled cupboard for the new Chancellor of the Exchequer, my friend must see his way and he must do it before he leaves the shores of this country, that the cost of the defence of India is reduced even to the extent as indicated by Sir Walter Layton, though not as demanded by men from this side.

Sir, what a great tragedy is going to happen in India? There has been a cry from Bengal, as well as from other provinces, simultaneously with the new provincial constitution, to give them financial relief. I understand my friend, Mr. S. C. Mitra's province has been promised two crores, but why beat about the bush? Let us face the matter squarely. Let the Joint Parliamentary Committee, which will shortly meet, decide the whole issue—the financial burden of India. I know there are certain Members of this House who very much aspire to go to that Committee, whether as ornaments or as useful Members, I do not know. My own experience is that assessors have no value in a Committee; in any case, if they go, before they take part in talking silly-sally over fundamental rules or on little points of procedure as to how the new Legislature should be composed, how many Members should there be and so forth, let them face the main problem, *what will be the real financial burden to the tax-payer, whether the cost of military defence could be reduced, and so on.* I scanned over every line of the speech of the Lord Chancellor and also of the speech of Sir Samuel

Hoare, and I did not find any ray of hope that the British Government intend to reduce the cost of defence of India. If there is not going to be any reduction in the cost of the defence, the new Constitution, whatever it might be, will be unworkable, and I do hope that some of the Honourable Members, who are Members of the Round Table Conference and who will take part in this debate, will give us some indication as to what their own idea is from the inside information they possess, whether, before the new Government of India Bill is introduced in the House of Commons, definite steps would be taken to reduce the cost of defence of India. I occasionally hear of inside information. Something may come out from some of the Members who had the privilege to attend the Round Table Conference, but Mr. Ghuznavi is not here.

Now, Sir, that is the main problem before India now and if I am allowed to give here my own opinion,—I have expressed it elsewhere,—I think India's present cost of defence can safely be limited to Rs. 30 crores, and the Rs. 17 crores that will be released will go to afford relief to the provinces who will feel that a real new India is coming and provinces can develop their nation-building departments.

The next point I desire to discuss is the debt position of India. Some of us pointed out that no provision ought to have been made this year for the reduction of debt or avoidance of debt. I am grateful to my friend, the Finance Member, for the two speeches which he subsequently made and for explaining to us his attitude. I concede to him all the improvements he has made in the finances of the Government of India, but I say he has made only that improvement in the budgetary position of the Government of India, and he has made little improvement in the public finances of India. My friend, Mr. Amar Nath Dutt, was very much elated that the Government scrips had gone up, and so were perhaps all those investors whose ancestors had invested their savings in Government securities, because they would be getting something more, but my point is, has the country as a whole, have the masses any reason to be elated at the financial position created by the Government of India today? I do concede the difficulties also which my friend pointed out that the Railways are not yielding much today. Sir, the stable situation which he painted in his original speech was a glowing side of the picture, but there are dark sides to the picture as well. My friend himself thinks too, that there are dark sides to the picture and we on this side feel that there is no glowing side to the picture, but it is all dark, dark and nothing but dark. What is America doing today? America today is facing a crisis which England faced two years ago. America has put a ban on the export of gold, she has placed a ban on the activities of the banks. You should do the same here. What is your financial policy today? Why not follow the same wise policy which free and independent sovereign countries are adopting? Why is it not the correct policy for India? I do not think the justification which my friend made for the flight of gold can really be justified at all. Why does not America allow the flight of gold? Why is America going to inflate her currency and does not America desire to increase her export thereby? My friend, I know, situated as he is, cannot give the correct picture to this House. He cannot, because we know how his predecessors were under the thumb of the Bank of England, how they were under the thumb of the British Chancellor of the Exchequer, and so my friend must be. I

[Mr. B. Das.]

do not know what cablegrams pass between the British Government and the Government of India, nor do I know what is passing between Mr. Montague Norman, the Governor of the Bank of England, and my friend, the Finance Member. But the *Morning Post* published with big headlines the fact that India's export of gold was 100 crores and that thereby India saved the British Empire from financial crisis. Yes, India has been sacrificed like the goat to save the British Empire. Is not the flight of gold to the tune of 120 crores the reserve capital of the Indian Nation? Is it not the reserve capital that has gone out of this country? Since I made that speech, I have been enquiring in the town from jewellers and other people what value the ornaments which the distressed middle class bring in into the town even to the jewellers fetch. I understand in gold it is fetching 60 to 70 per cent. and in jewellery it is fetching only 30 per cent. Of course, the Finance Member knows that he is not our national Chancellor of the Exchequer—not the Neville Chamberlain of India. But what did he say? He said that this flight of gold has brought untold wealth to those who sold the gold and they have derived 33 per cent. profit and that excess profit has been invested in postal cash certificates. I do ask him—he may not have the time nor the money to spare to make that big enquiry which I suggested the other day—I do ask him to make a simple enquiry as to how much poor man's gold has gone to purchase cash certificates. How much of this gold that has come from the poor man is due to starvation, to the rigours of the landholders' demands—and these landholders talked the other day about Bolshevism and so many other things,—how much of it is due to the *lathi* blows of the landholders delivered to the *ryots* worse than the *lathi* blows of the police given to the Congress picketers, how much of this distress gold is due to the sale of gold and silver trinkets which fetched not more than 30 to 40 per cent. of their value, because, Sir, the goldsmith is a wily craftsman and when he sells gold or silver trinkets to the poor villager, like the rupee which the Controller of Currency sells for one rupee with five annas worth of silver in it. The silversmith and the goldsmith have learnt the trick from the Controller of Currency and the silver ornament which they sell to the poorest villager contains only five annas worth of silver, yet the latter pays Rs. 1-5-0 for each *tola* of silver, one rupee for the silver and five annas making charges. For each *tola* of gold ornament the poor villager pays Rs. 5 to Rs. 10 extra over the price of gold for making charges, and though gold sells at Rs. 30 to Rs. 33 per *tola*, the poor villager gets only Rs. 15 to Rs. 20 per *tola* of gold. And yet my friend from Bombay, Sir Cowasji Jehangir—I know he is a millionaire, he may be a multi-millionaire, he supported the Finance Member saying that this export of gold has brought a new rejuvenation to India, has brought new chances of life to India and to the masses. One redeeming feature about the thing is that Sir Cowasji Jehangir was alone in that sentiment. The capitalist leader of the Treasury Benches, Sir George Schuster, and the capitalist leader of this side, Sir Cowasji Jehangir, I find, on one point at least they agree. Whether my Honourable friend did understand the exact implications of what he was saying, or whether he, being a great millowner, has to curry favour with the Treasury Benches, I do not know, but he expounded fallacies that day to which no other business man in Bombay would subscribe and which was contrary to that admirable . . .

**An Honourable Member:** Is he not your Deputy Leader?

**Mr. B. Das:** We are not analysing leaders, we are analysing facts. That admirable analysis of the export of gold, the Leader of the European Group, my Honourable friend, Sir Leslie Hudson, gave—and Sir Leslie Hudson is a capitalist, I believe he is a big industrial magnate. (*Sir Leslie Hudson:* "Not a capitalist.") That is why your heart is so soft. Sir Leslie Hudson is a business man and a shrewd man at that. He gave an analysis which, to my humiliation and to the humiliation of India, was controverted by one of the industrial magnates of Bombay. I can say this here that no other man, no other industrial magnate in Bombay has agreed with that opinion of my Honourable friend, Sir Cowasji Jehangir. Sir, I was leading to this. I do hope that my Honourable friend, the Finance Member, will ask Sir Thomas Ryan to look into the list of the investors in the postal cash certificates. I do not want myself to see the names of those investors. I want to know whether these are genuine cultivators who forcibly took away the trinkets from their wives' and daughters' hands to satisfy the greed of the landholders to meet the rent and other land taxes, or whether these investors were panic-stricken Government servants and other fixed salaried men in private offices and business houses. This analysis can easily be secured and the Honourable Member can give us a reply, province by province, after three days when we intend to close this debate. He will find to his utter amazement that very little has come from those who are supposed to have profited by the sale of gold. Sir, who have profited? The Bombay and Calcutta stock-brokers, the bullion exchange brokers, have profited. I wish to take the mind of the House back to 1918-19 when there was that big gamble in all the stock Exchanges when the share prices went up. My gallant friend, Sir Victor Sassoon, is not here, but the firm of E. D. Sassoons, which had a capital of 3 or 2½ crores, converted their concern into 10 crores and there was the flight of capital from India to outside, and today Sir Victor Sassoon is playing polo and golf with His Royal Highness the Prince of Wales, and has no time to come to India. That is how these big capitalists manipulate and see that the money flows from the poor man to the rich, and if the rich are foreigners like Sir Victor Sassoon, the money goes out of India and never returns. I am not here trying to find fault with my Honourable friend; I am rather giving him many points in his favour. Under the circumstances he has to do it, but I do hope that he will concede us a little sense, that we have got a grain of sense to appreciate the situation. We understand the situation, but to ask us to swallow the pill that the money invested in the postal cash certificates has all come from the *ryots* in the villages from the profit made by these *ryots* on sale of hoarded gold, which nobody else but the millionaire Sir Cowasji Jehangir can swallow, is too big a bait. (*An Honourable Member:* "He has not agreed with that.") (*Another Honourable Member:* "He is not present.") I think that completes what I have to say on the export of gold.

Now, I shall analyse the debt position of the Government of India and I would invite the attention of the House whether the position there is really as happy as it is depicted by the Honourable the Finance Member. I would ask my friends to turn to pages 48 and 49 of the Explanatory Memorandum where the figures for the productive and non-

[Mr. B. Das.]

productive debt are given. How is it that in spite of a provision of a sinking fund and attempts to reduce debts, the non-productive debt is on the ascendancy. I find that in 1923 it was 203.9 crores, in 1925, 196 crores. It went down to 181 in 1927 and to 172 in 1928. On the 31st March, 1929, it was 170, on the 31st March, 1930, 177.40, 196 crores on the 31st March, 1931, 213 crores in 1932 and today it is Rs. 206 crores. In spite of the fact that my friend is boasting that he is going to leave sound finance for his successor and also a well stored house, even the non-productive debt is increasing. It has increased by nearly 30 crores from 1929. How am I or the country to think that the Honourable Member has created sound financial position for himself or his successor?

Then, my friend, Diwan Bahadur Mudaliar, raised the question of the conversion of our sterling debts. We have got some of these scrips in the British War Loan too. When England converted nearly 2,000 million sterling from 5 per cent. to 3½ per cent., why did not my friend send them to England to have them converted? My friend said that he has not forgotten it. I want a definite answer from my friend as to whether the British Government prevented him from going to the London market when the British Government converted their own loans. Then I would ask my friend whether he tried to reduce the size of the non-productive debt. Some of these are really money which ought not to be borne by the Government of India.

I find under the Political Department there is an item of quit rent for the lease of the province of Berar, paid to the Nizam's Government and I find also my friend, Mr. Jog, issuing statements that Berar is going to be a province. Why should the Government of India pay this 25 lakhs to the Government of the Nizam? Why should not the Government of Berar pay this? That will reduce our expenditure.

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Are not the revenues of Berar included in the revenues of the Central Provinces?

**Mr. B. Das:** I would refer my Honourable friend to page 599, Demand No. 76.

**Raja Bahadur G. Krishnamachariar:** Where does the revenue go? To the Berars?

**Mr. B. Das:** The Government of India pay the piper and my friend, Mr. Jog, enjoys the benefit of sound administration and wise freedom. I find that my friend is still giving loans to the Indian States and Indian landholders. Some of these are at very low rates of interest. My friend knows it well whether some of these loans can really be paid back. I was surprised to hear in London that the Nawab of Bahawalpur has been given a remission of two crores of rupees over his irrigation debts. I do not know whether that is true, but if it is true, we are borrowing money in order to give presents to the Indian States and I do not know whether that particular State will come into the Federation of India even. There

are loans advanced at low rate of interest to the zamindars. I do not know why it should be done. I do not like to quote, but it is given on pages 852 and 843 of the Demands for Grants. I know that Government will give us a day for discussing the White Paper. Even if we discussed it the whole day, we cannot go into every aspect of the financial issue. My friend has already read the White Paper, at least the financial safeguards and the troubles that his successor will inherit in future. My friend has told us how he is trying to reduce our financial burden. If my friend is giving this present of two crores to the Bahawalpur Darbar, why not a crore to me? Why should not Orissa get a subvention like the North-West Frontier Province? These are aspects which we have to discuss. I am sorry that we do not go into this item by item. I can show you dozens of items that ought not to have been provided for.

My friend wants to maintain sound financial position. I want to know if he has yet devised a machinery whereby loans to Provincial Governments are to be advanced. In the Round Table report I find no scheme enunciated by which the future Chancellor of the Exchequer will control the extravagance of the Provincial Governments and it is too well known, Sir, that the Provincial Governments have launched wild schemes which weighs down the credit of India. I shall just cite the Bombay Development Scheme, the Punjab Mandi Hydro Electric Scheme which has been so much praised in the papers recently. Then there is the Sukker Barrage Scheme, the Sutlej Valley Scheme and there are other similar schemes in the United Provinces and in Madras. At present my Honourable friend has no machinery to control the actions of the Provincial Governments and to limit their extravagance nor can he devise rules by which similar action on the part of Provincial Governments can be checked in future.

The other day my friend, Mr. Thampan, pointed out to the Honourable the Finance Member that the debentures of the land mortgage banks in Madras have not yet been recognized by the Government of India and thereby the benefits of the banks are limited. Now, if one of the most solvent provinces—rather the most solvent province in India, which happens to be Madras,—I wish it were Orissa!—if that province cannot get that credit from my Honourable friend, the Finance Member, why, I ask, should the Indian States, over which this House has no control, in fact nor even the Government of India have much control, should get loans from the Government of India and thereby create a difficult financial situation for the Government and the people? I hope that is a point which my Honourable friend will bear in mind and will arrange to have that considered when the Government of India Bill comes to be drafted.

Sir, I would just like to point out certain items of expenditure, particularly in the Political Department, which to my mind are of a purely provincial character. If certain land has been handed over to British India compensation paid to Indian Princes should devolve on the Province which enjoys the benefit of that property and, on that account, the Government of India should not pay certain compensation; that compensation must come from that particular province. I have jotted down a number of similar cases. Under Demand No. 66, there is an item of compensation paid to Scindia. Then there is an item of compensation, paid to Raja Mahendra Man Singh, of Rs. 24,100; and there are similar other items there. I think it is time these were reviewed. I find at one place the



[Mr. B. Das.]

Political Department gives money to Afghan refugees—and there was an item which rose from Rs. 80,000 in 1931-32 to Rs. 94,000 in 1932-33 and to Rs. 1,07,800 in 1933-34. I do not know how my Honourable friend draws up his Budget, and how he expects the inflow of more refugees from Kabul; anyway, this is an item which I cannot understand and there must be some limit set. Then I find that the Nepal Government gets Rs. 10 lakhs under one sub-head and the next item curiously states "for other expenses Rs. 9 lakhs". Sir, in the appropriation account of 1930-31, we found an item of Rs. 10 lakhs paid to the Amir of Afghanistan two years ago, and today again the same item comes to Rs. 9,84,000 and shown as "for other expenses". Sir, I do not mind the Political Department making big presents to their protected Princes, but is it fair that it should incur extravagant expenditure and would this make up for the sound financial position of the Government of India? Sir, my friend may be satisfied, but I am not satisfied.

So, Sir, I have already indicated to my friend certain lines of economy and the largest economy will come of course from the military side. I have also indicated, not only this year, but for the last three years, how he can raise revenue by equalising the excise duty and the import duty on kerosene. Of course this protection they received and continue to receive, because the oil people have got the protection fever from my Bombay friends. There is no necessity for this at all, and there would accrue an additional income of Rs. 1,25,00,000 which would give him, if he so desired, the immediate chance to reduce taxation even this year; and, Sir, my friend must bear in mind that this year the taxation must be reduced. I believe my friend is quite aware that there is a hue and cry that there is too much dumping from Japan, calling for anti-dumping legislation against Japanese goods. Nearly two months ago, I would not have subscribed to such a policy, but today I am wholeheartedly for putting on a heavy tariff on Japan. Now, that may bring in to my Honourable friend a crore or two crores, but I am wholeheartedly for putting high tariff on Japanese goods. Japan, Sir, is a blot on human civilization, and Japan is not only a menace to India politically, but she is proving too dangerous and menacing to India's industrial development.

**Khan Bahadur Haji Wajihuddin** (Cities of the United Provinces: Muhammadan Urban): Sir, I thank the Honourable the Finance Member for the able and exhaustive survey of the financial position. But, I regret that in his whole speech he has not given consolation to poorer classes who inhabit this country. During the days of depression, it is essential that the taxes should be lowered and large works should be started to find employments for poorer classes. Here we find just the reverse. Sir, taxes have been raised and the surcharge of 25 per cent imposed last year has not yet been removed. This is no consolation to poorer classes. The poor man does not know whether the credit of my friend, the Honourable the Finance Member, has been raised in the markets of London and New York. He is simply concerned how he can live more comfortably and economically in his own village or town and this he can do only if the burdens of taxes are lightened and work provided to reduce unemployment.

My esteemed friend, the Finance Member, in his speech said that the Government have acquired out of a total of 127 a sum of 93 crores. This money has not been spent for lightening the burden of taxation. I thought

that he should have at least forgone the taxes on the income between Rs. 1,000 and Rs. 2,000 the victims of which are only the poor and ignorant people of India. The amount of revenue which the Government derive from these taxes is very small. The increase in the income-tax as given in the Explanatory Memorandum is only 21 lakhs. Last year at an expenditure of four lakhs, he gave only 17 lakhs by giving a strong resentment to a very large number of people and by depriving men of small ornaments from the necessities of life. May I venture to ask, Sir, can he not give a contribution of this small sum of 17 lakhs out of his receipt of 93 crores which he himself admits that he has acquired? Sir, I may say, a person, who has gained 93 crores from unexpected quarters, can certainly afford to forgo an income of 17 lakhs. I say unexpected, because it is the good luck and not the skill of any person that this money has been obtained. I would like that my Honourable friend, the Finance Member, should be pleased to mention in his final reply of the relief he has given to the poor people out of his profit of 93 crores. What taxes he is prepared to forgo in order to give this relief?

We, the elected Members, suggested on the last occasion of the Finance Bill that the income-tax level should not be lowered and that the price of postcards and stamps should not be raised. The Legislative Assembly accepted this suggestion, but these cuts were restored by certification. At that time neither the Assembly nor the Executive Council could foresee the unexpected income of Rs. 93 crores. But this amount has now been obtained and it is not too much for me to suggest that, according to the wishes of the majority of the Assembly, the income-tax level should not be lowered, that is, persons whose income is between Rs. 1,000 and Rs. 2,000 should not be asked to pay income-tax and that the price of postcards should be lowered from nine pies to six pies. Sir, as regards the lowering of the minimum limit of taxable income from Rs. 2,000 to Rs. 1,000, I feel it my duty to declare on the floor of this House that much discontent is prevailing in the country as the result of this scheme since it has been introduced, because the taxation of income to the amount of Rs. 1,000 is causing great hardship to people of moderate means everywhere in India. Sir, they generally do not and cannot keep accounts and so it is not easy for them to prove to the satisfaction of Income-tax officers that they are not liable to the tax. They are absolutely at the mercy of the Income-tax Department. Can it be expected that a man earning about Rs. 2 or Rs. 3 a day, such as the cart owners, *tongawallas*, *pan* and *bidi* sellers, ice and soda stall-keepers, watch repairers and other small shop-keepers and commission agents, will keep regular accounts to show what the income exactly is? In the absence of proper account books, on receipt of the reports of the subordinates or for the good show with empty boxes exhibited by small shop-keepers the Income-tax Officers are quite justified to make any estimate of their income. The income-tax being a direct tax is itself unpopular, but the change in lowering the minimum limit is no doubt felt very much by those affected and as they cannot prove their exemption plea satisfactorily, they are the worst victims in this direction. If the public could not get this benefit, then it matters little to them whether 93 crores is or is not gained. This money is mostly obtained from poorer classes. The major portion of it is what is called the "distress" gold and it is right to demand that a portion of this "distress" gold should be spent in removing the distress of the poor people.

The second point which I should like to know is whether the Finance Member can contribute any portion of this unexpected income of 93 crores

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towards helping the industries. The South African Government, as my esteemed friend, Dr. Ziauddin Ahmad, pointed out, a few days back, has given one and a half million sterling to restore the dying industries of the country. Will it not be possible, Sir, for the Honourable the Finance Member of the Government of India to set apart two crores of rupees out of 9½ crores to improve the dying industries of this country? We all know that the tea is badly hit and a paltry sum of one crore would restore this tea to its old position of prosperity. If the Government do not help them in such matters, may I ask, Mr. Deputy President, what is the Government for? Is it only to pass Ordinances and to interfere in the religious affairs of the Mussalmans? This, I say, because the Government opposed a very simple motion for the circulation of my Bill which was supported by all the Muslim Members who spoke on the motion and which was no doubt a harmless motion. The Government should help the dying industries of this country without further delay. They should also help in raising the price level of agricultural products.

The next question is the question of cut. I welcome the restoration of cuts, but I do not like the piecemeal action. The Government adopted two measures for economy in 1931. One a surcharge of 25 per cent on all taxes, and the other, the emergency cut of 10 per cent, and I would like that both these emergency measures should now be removed. The surcharge should be withdrawn and the cuts should be restored. If saving is to be effected, it should be effected by revising the Lee concessions which were awarded at a time when the price level was very high and the then salaries were not sufficient to attract persons from England. The position has now changed. A large number of Indians are now being recruited to fill up the posts which at one time were reserved for the Europeans, and also the price level has fallen to the level of pre-war days. I say, Sir, that it is, therefore, desirable that the salaries which we gave before the war should now be given in these days. We had a good deal of talk about "contract". Was the Lee concessions made a part of the contract at the time of the appointment of the officers recruited before 1924? If the Lee concessions could be given after their appointment, why can they not be removed now when the circumstances have changed? I could not calculate the amount of saving by withdrawing these concessions, but I would request my esteemed friend, Dr. Ziauddin Ahmad, to make these calculations and enlighten the House. But, I am certain that these concessions would be able to restore the entire 10 per cent cut to the entire services.

May I invite the attention of my Honourable friend, the Director-General of Posts and Telegraphs, with regard to the general complaint of Indian traders for the increase from Rs. 15 to Rs. 20 being registration fee for abbreviated telegraphic addresses? It is absolutely idle for the Government to draw a comparison for this purpose between India and the United Kingdom unless comparison of volume of business in this country and the United Kingdom is made and a proportionate charge is fixed. Every one knows that the Indian commercial community is passing through a time of unprecedented financial depression and that it is not the time to increase charges which are bound to decrease revenue. If the Government can see the matter from a business point of view, I hope they will be well advised to have the charge reduced to Rs. 10 which will attract the attention of those who have abstained till now to have their addresses registered and thus the

Government can get more money from this agency without extra expense in running the Department. Sir, I am raising this point not only for my personal advantage, because, since the rate was raised, I decided not to continue my address registered which was used to be registered for the last 30 or 40 years, and this I have done to discourage Government's wrong policy. I have been prompted to draw your attention, simply because I have been receiving numerous representations from my own constituency, the seven cities of the United Provinces.

Sir, the next point which I would like to take up is what was mentioned the other day by several speakers, that the rupee at present is a token coin. Its value in silver is between six and seven annas. It is really a note, printed, not on a paper, but on silver; therefore it is desirable that there should be a rupee currency reserve similar to the paper currency reserve, because both are token coins, and the measures adopted by the Finance Member in placing one token coin as a reserve for another is a kind of reasoning in circle. I, therefore, urge that a rupee currency reserve should be established and that bullion in gold or silver should be set apart. I also like to find reasons why on this occasion the gold reserve was not increased. In reply to certain questions, the Finance Member said that there had been no increase in gold reserve. When India has sold gold worth 107 crores during the last 15 months, why a portion of it was not purchased to increase the gold reserve?

The next thing which I also like to press is that the gold reserve of every kind should remain in India and not in England.

I also like to refer the grievances of Muslims in the Services. We have been pressing, year after year, and we have been hearing vague promises also, year after year, from the Honourable Members of the Government of India. We have exhausted our patience and we are now beginning to feel that the Government pay no attention, simply because we are not following the methods which alone can direct their attention.

[At this stage, Mr. Deputy President (Mr. R. K. Shanmukham Chetty) vacated the Chair which was occupied by Sir Hari Singh Gour.]

I am not pressing it from the communalist point of view, nor I want to lower the efficiency of the services. The efficiency should be maintained at all costs and the standard of recruitment should be raised as high as possible. Mussalmans never demanded that the efficiency should be lowered, but what they resent is that, after fixing the high standard, the Muslims should be left out simply because they have not obtained a still higher imaginary standard. I take a concrete example. Suppose the standard of recruitment for a service is matric and it is expected that this person would be able to carry on the work of that particular job: then the Muslim matric should not be excluded on the ground that he is not a B.A. or LL.B. When matric is fixed as a qualification for a service, the degrees of B.A. and LL.B. should not be considered to be a better qualification. Frequently it has been observed that a graduate is suited for some kind of work and a matric is suited for a different kind of job and a non-matric is suited for some other employment. It will not be adding to the efficiency of the service if M.A.'s and LL.B.'s are recruited for jobs intended for persons who can simply read and write. I am, therefore, Sir, pressing the Muslim claims not with a view to lowering the efficiency, but from a broader point of view. Every



2024

LEGISLATIVE ASSEMBLY.

[13TH MARCH 1933.]

[Khan Bahadur Haji Wajihuddin.]

Indian in this House claims that Indians should be recruited for services. What is the reason for demanding Indianisation? I see only one answer and that is that we want loaves and fishes for our own people. Now, I use the same argument for reserving certain shares for the Muslims. Indianisation should mean Indianisation with equal opportunities to all, and not monopoly of a certain section. On the floor of this House it has repeatedly been said that the Muslims should be given equal opportunities, but those opportunities are not of equal value. The Muslims no doubt can apply for any post, but their applications are not returned. They are given equal opportunities, but the Selecting Authorities select non-Muslims and hence, though the Muslims enjoy equal opportunities, unfortunately these opportunities are not of equivalent value. I, therefore, urge upon the Government that they should see that the minorities not only enjoy equal privileges, but that these privileges should be of equal value.

Sir, today I press the point of reservation of seats for Muslims for an entirely different reason. I am a great believer in Hindu-Muslim Unity. I strongly feel that the harmonious relations could be established if the vexatious points were all removed. The most vexatious point that we have seen in questions on the floor of the House is the Services. My Honourable friend, Diwan Bahadur Mudaliar, the Deputy Leader of the Independent Party, the other day suggested a method which is the method by means of which harmonious relations can be obtained and I may also point out that in the long run these suggestions would pay better to the Hindu community than the clamouring criticisms of my learned friend, the Deputy Leader of the Nationalist Party, and I, therefore, end by suggesting that in the interests of efficiency, peace and justice, the seats for the Muslims should be fixed without lowering the qualification required for recruitment of each class of Service. I also wish to draw the attention of the Government to another important matter which concerns Muslim women in India. The fact is this, that, according to Muslim law, there are several cases relating to conjugal rights and divorce in which the said law cannot take its proper course unless the judge or *kazi* is a Muslim. For instance, if a man becomes unable to discharge the duties of a husband towards his wife, on account of insanity, loss of limb, leprosy or any other such mishap, in that case, she is fully entitled to apply to a Court for legal separation. But the Muslim law strictly enjoins that the judicial officer or *kazi*, appointed by the Government, for deciding such cases should be a Muslim, otherwise the legal separation in the eyes of the Muslim law will be considered invalid. I think I must place before you, Sir, one more illustration for the consideration of the House in general and the Government in particular, when a man leaves his house without information to his wife. He remains absent from home for several years. No news of him are heard. His wife has no other means of livelihood and cannot re-marry any other man until a legal separation is effected, which can in no way be carried out, unless the judge is a Muslim. So, in the absence of any such judge, what will be the consequences? She appeals to a Court of which the judge is a non-Muslim and he, in the usual way, effects the legal separation. Now, if she, becoming satisfied with this decision, marries another man, this second marriage will be an invalid one in the eyes of her religion, and thus she will be leading an immoral life. If she is not satisfied with the decision of that Court, she does not marry on grounds of religious prohibitions. How is she then to lead her

life? How is she to provide for her young children? Sir, the poor little creatures fall one by one from her lap as innocent victims to starvation. She herself either welcomes mad temptations or gradually consumes to death. May I ask, Sir, is it not a picture worth pitying? Is it not the duty of a good Government to safeguard the interest of the weaker sex to whom refined culture and civilised manners of our own days demand reverence? Sir, I wanted to move a Resolution on the subject and was waiting to get a chance in the ballot for the last several years, but unfortunately I could not get a proper place till today and I have taken this opportunity to say a few words on the question. Now, the only remedy to do away with this evil is that the Government may be pleased to issue instructions either to appoint *sharai kazis* to decide cases relating to restoration of conjugal rights, dissolution of marriages, and divorces in which only Muslims may be the parties, or that, in the alternative, such cases be tried by such Muslim judicial officers who may be well versed in Islamic law. Sir, it is a simple thing to do and I hope the Government will realize their responsibility to take necessary action in the matter and thus will help the helpless class to alleviate their endless troubles and miseries in this direction. In conclusion, let me inform the House that this is not a new demand, but we were trying for it since a very long time. In 1917, on the occasion of the visit of the Right Honourable the Secretary of State for India just before the introduction of the Montford Reform Scheme, a deputation of leading Ulemas and prominent Muslims—attending upon him in this Capital City under the leadership of Maulana Hafiz Mohamad Ahmad Marhoom Mohtamim Darul Oloom Deobund—put forth in an item of their address a proposal to the same effect. No doubt it is a discouraging thought that it has not received the least attention on the part of the Government as yet. My demand is very modest, Sir, and only executive orders from the Government can serve my purpose. My Honourable and esteemed friend, Sir Harry Haig, has already declared on behalf of the Government, only a fortnight ago, that it is the duty of the Government to alleviate “human suffering” and to “promote the welfare of the race” and that the question which “affects the lives and welfare of all the people as human beings” receives the prompt attention by the Government. I, therefore, have every hope that no delay will now occur to take necessary steps in this direction.

Another important item upon which I wish to draw the attention of the Government is the question of prohibition of liquor in this country. I had a chance of moving a Resolution in the year 1925 on the subject which was carried by an overwhelming majority, but, I am sorry to say, it has been treated by the Government as a dead letter. May I ask, Sir, it is not the right moment to undertake this reform? Is it not a thing which will help us to get peace and happiness in this and in the world to come? Sir, is it not a fact that irrespective of their religious and political differences, all the sections of Indians are in favour of this reform? Then, why does the Government do not undertake to introduce a Bill on the subject to carry out the wishes of the elected Indians in this House. “Where there is a will, there is a way.”

The last item I wish to bring to the notice of my Honourable friend, the Army Secretary, is with regard to the very unsympathetic administration of the Cantonments in India, both from the point of view of the people and the house-owners of the Cantonments. This Honourable house

[Khan Bahadur Haji Wajihuddin.]

is no doubt aware that there is a large class of house-owners in Cantonments who have invested enormous amounts in house property constructed for the residence of Military officers at the express desire and request of the Military authorities in the past. Time there was, when the Military authorities, anxious to have suitable houses for the residence of Military officers in Cantonments, gave all sorts of assistance in the grant of free sites to the people to induce them to invest their money in building residential houses in the Cantonments. In the spirit of loyal co-operation and help of the Military authorities, people built a large number of houses in the Cantonments on sites granted to them either free of rent or on lease on very nominal rents. The Military authorities thus appreciated this response of the people and gave them all facilities in the matter of the realisation of rents and in the protection of their interests in property.

Sir, all this is changed now. The time-honoured and century old rights in house property, I regret to say, Sir, are being snatched away in a manner which is hardly compatible with justice and the spirit that led to the springing up of this property all over the Cantonments in India. The Government have now tightened their meshes in case of old grants and even in case of privately-owned lands which is the case in several Cantonments that were originally small and were extended in subsequent years by inclusion of privately-owned areas. I think the Government are in various shapes pressing house-owners to acknowledge Government ownership of land. That such a demand should be made after long, peaceful and undisturbed possession of land under houses which have changed hands several times since the original construction and in case of many of which it is now impossible to trace the original owner is nothing short of a campaign of harassment to house-owners. I may say, Sir, that the Government take their stand on the presumption that all land in Cantonments belongs to the Government without coming forward to prove with documentary evidence as to when the land was acquired, how it was acquired and what compensation was paid. According to my information, Sir, cases have been instituted against private house-owners in several Cantonments resulting in great harassment and losses to them and I cannot understand what is to be gained by proceedings of this character. Free grant of land was the invariable custom in the past and, if land is held without any lease and without payment of any rent, it is as good as privately-owned land, and for the Government to think of withdrawing this concession which was freely given at the time when the Government wanted the people to invest money in the construction of houses for military officers, is hardly fair and reconcilable to the opt-proposed policy of the Government for the preservation of interests of house-owners in the Cantonments.

But the withdrawal of this long-enjoyed right is not all that forms the grievances of the house-owners in these days. Their woes are many and varied. In many Cantonments, houses are lying vacant, for the Government have constructed their own quarters for military officers. To induce people to construct bungalows for military officers in the beginning and then to make those houses unproductive of rent by constructing Government quarters for the officers is a line of action hardly defensible. In several Cantonments, Sir, where privately-owned houses are still in demand, the Government have embarked on a campaign of resumption by force. In

the Nowshera Cantonment, four bungalows have recently been resumed and taken possession of by force. I say, Sir, by force, because the procedure adopted was that the owner was served with a notice that the Government intended to resume the land and to take possession of the property standing thereon after a month. On the expiry of that period, the Military Lands Officer entered the bungalows and declared that those bungalows had passed into the possession of the Government. Now, Sir, can you imagine a more arbitrary and a more indefensible method of resumption than this? If the Government think that they have a right to do so, the proper course for the Government was to establish their right of resumption in a Court of law and to institute a civil suit of ejectment so that the relative claims of the house-owner and the Government in the land should have been determined by the Judicial Court. It is not only this, Sir, that the Government have taken possession of these houses illegally at the point of bayonet, but the Government have not paid a single pie as compensation for the building standing on the land said to have been resumed. In the notice of resumption, it was proposed to pay some very nominal amounts, but the owner refused to take those amounts making it clear that the Government had no right to resume the land. The Government resorted to the method which, I submit, Sir, does not bring credit to the Government. Sir, it is evident that when a military officer of the Government enters a property with a view to taking possession of it, the house owner cannot resist such a move and, if he does that, he is liable to prosecution for obstruction of a Government servant while performing his duty. This method of seizing property has caused consternation amongst the house owners in the Cantonments and, for this reason, Sir, you know very well that in the last Session of the All-India Cantonments Conference held at Lahore, a unanimous and strong protest was recorded against this method of destroying house owners' rights and interests in property in the Cantonments.

Sir, house owners' woes in these days are numerous. At every step there is some denial of old rights in the land and some untenable demand made on behalf of the Government. If a house remains unoccupied for several years as a residential building and the house owner thinks of converting it into a business shop just to make it yield some income, he is asked by the Government to execute a lease for the site on the plea that there is a change of purpose in the building. If a house owner wants to put up additional buildings on the open space he has in his possession, the Government step in with a demand of rent on the plea that additional buildings are sought to be built though there is no municipal objection to the building thereon. Even in the case of leased land, where a part of it is not built upon, demand for additional rent is made if a building is sought to be built on the vacant space though the rent is being paid for the whole land leased from the very beginning.

All these, Sir, are the recently invented methods of harassing house owners and of impairing their valued rights in house property, in utter forgetfulness of the fact that the owners of the houses are those very persons who came forward at the request of the Government in good old days to invest their money in building houses for military officers.

Then, Sir, there are some very funny and mischievous sections in the House Accommodation Act. Under the provisions of that Act, the Officer Commanding the station, when wishing to appropriate a house, fixes the rent for it and also determines the amount and extent of repairs to be

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done to it. It is a matter of common experience that the rent fixed by him in most cases is inadequate and the repairs demanded are in almost all cases of prohibitive character. Now, Sir, before 1930, if the house owner did not agree to the rent offered or to the repairs demanded, it was the Government that was to go to a Court of law to establish the reasonableness of the amount and the extent of repairs required and the amount of rent offered. All this was quietly changed by an amending Act of 1930 and the position today is that if the house owner does not accept the rent offered, it is he who is to go to the Court and to initiate judicial proceedings to establish that the rent offered is low and the repairs demanded are excessive. I have reason to believe, Sir, that there have been several cases in the past where notices of appropriation of houses were given, with low rents and demands of heavy repairs and the house owners had to go to the Court of law and then the notices were withdrawn, but no compensation was paid to him for the loss and worry suffered by him in making a reference to the Court. I submit, Sir, that the position I have explained according to my information is most abnormal indeed. I may say, Sir, that the Government are in the position of a tenant and if the house-owner does not agree to the rent offered and the latter has a right to appropriate the house, it is for the tenant to go to the Court to establish that the rent offered and the repairs demanded are not unreasonable. The reverse of this is the position since 1930; it has caused great trouble and harassment to the house owners and the columns of the *Cantonment Advocate* are full of cases where a widow, who happened to be the owner of a single house, the rent of which is the only source of her livelihood, has been harassed by notices of appropriation in which ridiculously low rents have been offered and very heavy repairs demanded. This is a situation on which no right thinking person can compliment the Government.

Then, again, Sir, in this very Act the house owner is bound to hand over the house in a state of reasonable repair to be determined by an officer of the Military Engineering Services at the time the house is given on lease. One of the conditions of the lease is that the house will be handed back to the lessor in a similar state of repair. When express remedy is provided in the Act for the Government to put the house in a state of repair at the time of the sanction of the lease, there should be a corresponding remedy to ensure the fact that the house is handed back to the owner in that very state on the expiry of the lease.

Sir, I need not dilate on the disabilities and troubles of the house owners in these days. These are multiplying, as the activities of the Land Department created by the Government are growing. The Government seem to be trying to squeeze out every drop of blood from the house owner, by demands for enhancement of rent for the land, by offer of low rents in case of appropriation, by demand of crushing repairs to suit the fancies of the military officers at the time of appropriation and by other like methods.

But if the house owners are faring so badly on account of the oppressive character of land administration, the people in general in the Cantonments are faring no better.

Then Sir, there is no limit to the misuse of section 239 of the Cantonments Act, which deals with the removal and exclusion of Cantonment residents from Cantonments. Though I have no sympathy with the civil

disobedience movement and I am a staunch supporter for law and order. I feel it my duty to say that, I understand, in the year 1930, this section was ruthlessly applied without legal enquiry in case of persons who were supposed to have closed their shops on any particular day either in sympathy with the so-called national movement or for fear of Congress leaders, or for certain domestic reason or they simply attended any public meeting without taking any active part therein. I have reason to believe, Sir, that a number of respectable and law abiding people, believing in co-operation with the Government, were either expelled from certain Cantonments or were served with notices of expulsion, or at least their firearms with licences were ordered to be deposited in the Police *Chowki* which naturally turned some of them to become non-co-operators for obvious reasons and I think it was a wrong policy to adopt such measures without making a thorough investigation in each case.

Then, Sir, there is the question of the representation of Cantonments in the Assembly where the Cantonment law is framed and where the grievances of the Cantonment people can be discussed. At present small groups of Cantonments are included in large City Constituencies in which the Cantonment group forms a negligible part and has consequently no determining force with regard to the course of elections. The result is that there is very little chance under the present system of a Cantonment resident being returned to the Assembly. Lucky chances there may be and myself standing here may be taken to be the product of that chance. What the Cantonment people desire is that in view of their being governed by a special law and in consideration of their having interests of special character in Cantonments they should have special and extra representation in the Assembly. They would be satisfied even if two additional seats by nomination are granted to them in the Assembly.

Then, Sir, there is the question of taxation in the Cantonments. There is hardly a Cantonment where the burden of taxation is not felt and where the incidence of taxation is not much greater than what it is in the neighbouring city. The people are groaning under the burden of taxation, for, partly owing to the reduction of the garrison, and partly due to the economic depression, business in Cantonment has dwindled and is steadily dwindling and the tax-paying capacity of the people has consequently been much affected. It is time therefore, that the Government should appoint a Special Committee to go through the whole question of taxation and to put it on an equitable basis.

But the more crying need than this is the overhauling of the Cantonments Act. This Act was drafted in a great hurry in 1923: 4 P.M. it was admitted by the then Army Secretary and His Excellency the Commander-in-Chief that the Act was a hasty product and had numerous defects. The working of the Act during the last eight years has revealed serious defects. The political conditions around us have since then changed very fast and it is very necessary, Sir, that the Government should go through the whole Act and bring its provisions on a line with an up-to-date municipal administration with due regard to the circumstances arising out of the stationing of the troops in those areas.

Before I conclude, Sir, I think I should refer to the great wrong done to the Cantonment people by refusing them a seat on the R. T. C. People possessing highest qualifications downwards to the Urdu knowing class and representing almost all the constituencies and interests were no doubt sent

[Khan Bahadur Haji Wajihuddin.]

to England, but Government could find not a single suitable man to send to R. T. C. to represent the Cantonment interest generally and house owners and traders interests particularly. I think a population of a million people has thus been ignored in this matter altogether, because they were governed by a law that was in some of its sections of a semi martial character and their interests in land and Cantonment property were of special and enormous character. Sir, many constitutional changes were required to be made before the Cantonment administration was brought on truly democratic lines, I may be pardoned, Sir, if I say that the people outside the Cantonments were not fully acquainted with the special disabilities of the Cantonment people. There were cogent reasons to convince the Government, but I am sorry all went unheeded. Sir, it was surely not impossible to find one man in the Cantonment who could usefully help in the making of the future Constitution of India and who could at the same time represent the special need and claims of the Cantonment people. Am I to understand, Sir, that such is the fate of those who believe in "Co-operation" with the Government? If not, will the Government consider the desirability to nominate some one to the Joint Parliamentary Committee which is going to meet this year? Sir, we take the Government into our confidence, but we find Government do not take us into their confidence. May I ask my Honourable friends on the Treasury Benches, are they doing justice to us? Are they doing justice to the forces which want moderation to prevail in this country? Sir, I do not want to take up the time of the House any more and conclude my speech by saying "To do a thing right today, means less trouble tomorrow".

**Bhai Parma Nand** (Ambala Division: Non-Muhammadan): Sir, some days ago, I put certain questions to the Finance Member. I asked what was the total amount of income from income-tax and super-tax realised from the various communities in the Punjab. The Finance Member thought that that question could not be answered and that it was not practicable to ascertain the amount according to realisation from various communities. Another question that I asked was, what was the total number of assesses of various communities in the Punjab. Even after some supplementary questions, the Finance Member did not answer us and left us to draw our own inferences in the matter just as we liked. My point in putting those questions was that in the Punjab the people who pay the major portion of the income-tax and super-tax were the Hindus and that it was that community that had been treated by His Majesty's Government and the Government of India with the grossest injustice and unfairness. Therefore, I take this opportunity to ventilate our grievances before the Government and to show that injustice was done to the Hindus and the Sikhs in the Communal Award that was given by the Prime Minister.

I rise to make a protest against the Communal Award by His Majesty's Government in so far as it concerns the Hindus of the Punjab. I would be failing in my duty if I do not convey to this House and to the Government that the Hindus of the Punjab feel greatly perturbed and dissatisfied with the treatment meted out to them during the last two years. Indeed the feeling of dissatisfaction and discontent is so universal and so intense that I find it difficult to express it in words. It is very well indicated by the Hindu and Sikh members' united decision from taking any part in the proceedings of the Punjab Legislative Council.

This Communal Award is a great constitutional wrong and a serious political blunder. But before I take up this discussion, I wish to point out two things. In the first place, I have to draw the attention of this Honourable House to the general cry that has been raised to protect and safeguard the minorities in the future Constitution of India. This fact is entirely ignored that the Hindus of the Punjab are in a minority in the province and, on account of the peculiar position and close proximity of the Punjab to independent Muslim neighbours, they are subject to the risk and dangers in a much greater degree than the Muslim minority in any other province of India. The Government, however, instead of keeping this point in view, have confused this Hindu minority with Hindu majority of other provinces and have, from the very beginning of the constitutional investigations, given them what is commonly called a step-motherly treatment. The Punjab Hindus made a protest in the First Round Table Conference, because they were given only one representative while the Muslims had four. Again, at the time of the Second Round Table Conference, when additions were made, more representatives were given to them who had already got more. Then came the Communal Award which, in a way, marks the culmination of their trouble, as by this the Hindus of the Punjab, instead of being given any weightage, have got less than they deserved on population basis.

The second thing is that the Punjab Hindus, having full consciousness of their weaknesses and one-sided attitude of the Government, took a practical view of the situation and, instead of following abstract political theories, decided on co-operation with the Statutory Commission not minding the odium they shall have to incur with the public and the press. In 1926, the Hindu Sabha contested the Council election with the Congress and defeated the Congress almost at every point. This attitude of the Punjab Hindus was particularly noted by the Simon Commission:

"From the Third Council."

Referring to the Punjab Council, they say:

"The Swarajists had practically disappeared, the Nationalist,—Unionist Party contained a reduced number of Hindus and became almost entirely Muhammadan. The main body of the Hindus organised themselves into a party principally representative of urban interests and in clear touch with the Government than any other previous Hindu group. . . The Punjab Legislature has not attempted at any time to bring administration to a standstill and has on occasions shown itself ready to risk unpopularity both in support of the Government on matters affecting law and order and imposing taxation. It has shown itself more interested in practical affairs than in the political abstractions."

In return for this co-operation, they have got the Communal Award.

I wish to turn now to the constitutional aspect of the Award. In tracing its origin, we go back to the time of the Lucknow Pact. That was a time when there was a good-will between the communities, and Hindu-Muslim tension was practically non-existent. It was then that the Congress and the Muslim League entered into a Pact, though admitting separate electorates as a part of the Constitution of the country. The question arises, why has this Communal settlement been discarded and who is responsible for re-opening the question? We do not know; at least we have no definite evidence on this point. It may be said that the Congress politicians wanted to do away with the system of separate electorates. Even if that be so, that system still remains and neither the Muslims nor the Government ever thought of its removal. Thus there seems to be no

[Bhai Parma Nand.]

reason why the communal proportions should have been reshuffled at all. However, what we know definitely is the demands of the Muslim leaders in presenting the 14 points to the country including separate electorate as one.

I say that the Muslim claims were unreasonable even going to the length of absurdity and, to make this position clear, I shall have to depend not on my own individual opinion, but on a quite impartial and responsible evidence. In the first place, if the Lucknow Pact was to be discarded and we had to settle about the rights of the minorities, the only reasonable course was to adopt and follow the rules that had been laid down by the Minorities Committee of the League of Nations, of which India was a member, for the settlement of the rights of the minorities in the country. It is a pity that this offer frequently made on the part of the Hindus was never considered seriously by the other parties.

Let us now turn to the Montagu-Chelmsford Report which says:

"We conclude unhesitatingly that the history of self-Government among the nations who developed it and spread it throughout the world is decisively against the admission by the State of any divided allegiance against the State's arranging its members in any way which encourages them to think of themselves primarily as citizens of any smaller unit than itself . . . The communal system stereo-types existing relations. We regard any system of communal electorates as a very serious hindrance to the development of the self-governing principle."

In spite of the above clear verdict however, they were constrained to give effect to separate electorates, because of the existence of the Lucknow Pact by which they found themselves bound.

Next we come to the evidence of the two important bodies appointed by the Parliament. The first is the Indian Central Committee which carried on their discussions, with regard to the communal problem, for several months and gave the following decision:

"In provinces in which they are in a minority, Muslims should be given the privilege of having seats reserved for them in a Joint Electorate either on a population basis or on a voting strength whichever may be more favourable to them; and, further, they should be permitted to contest seats in general constituencies beyond the number actually reserved for them. Similarly seats for Hindus and Sikhs in the Punjab and for the Sikhs in other provinces, where their numerical strength entitles them to representation, should be reserved in Joint Electorates either on a population basis or on their voting strength whichever may be more favourable to them and, further, they should be permitted to contest seats in general constituencies beyond the number actually reserved for them."

The other body, that is the Statutory Commission, which visited and toured throughout the country, discussed the Punjab problem and arrived at the following conclusions:

"Our own opinion is that in view of the existing condition and of the weakness of the Muslim minority in six out of the eight provinces, the present scale of weightage in favour of the Muhammadans might properly be retained. Thus the proportion to be allotted to them of the seats filled from the general constituencies (other than the general European constituencies) would be determined as at present."

Turning to the claims of the Muslims and rejecting them totally they add:

"But a claim has been put forward for a guarantee of Muslim representation which goes further than this. This claim goes to the length of seeking to preserve the full security for the representation now provided for Muslims in those six provinces and at the same time to enlarge in Bengal and the Punjab, the present proportion of seats secured to the community by separate electorates to figures proportionate to their ratio of population. This would give Muhammadans a fixed and unalterable majority

of the general constituency seats in both provinces. We cannot go so far. The continuance of the present scale of weightage in the six provinces could not in the absence of a new general agreement between the communities equitably be combined with so great a departure from the existing allocation in Bengal and the Punjab. It would be unfair that the Muhammadans should retain the very considerable weightage they now enjoy in the six provinces and that there should at the same time be imposed in the face of Hindu and Sikh opposition a definite Muslim majority in the Punjab and Bengal unalterable by any appeal to the electorates.

On the other hand, if by agreement separate electorates were abandoned and if Muslims, Sikhs and Hindus were prepared to seek election through Joint Electorates covering all three communities, we should still be prepared to see this combined with the preservation of the present numerical proportion secured to the Muhammadans by separate electorates in the six other provinces. We make this last suggestion which really involves giving the Muslim community the advantage of a choice between the two courses to follow."

Thus we find that both of these bodies regarded the claims of the Muhammadans quite unreasonable. Then followed the First Round Table Conference in which the Punjab problem was argued on both sides, by the Hindus, Sikhs and Muslims without coming to any settlement and the Prime Minister adjourned and appealed to both the parties to settle the terms without leaving them to be settled by an outside agency. At the same time, we find the Government of India trying to find out a solution in offering their proposals to His Majesty's Government. In their despatch, after describing the views of the Indian Central Committee and the Statutory Commission on the Hindu-Muslim impasse in the Punjab, they express their own view in the following words:

"In the Punjab, the position is singularly complicated owing to the rival claims of the three communities, the Muslims, the Hindus and the Sikhs. The Official Members of the Punjab have worked out a carefully balanced scheme for the new Provincial Council which gives the Muslims a majority of two over the Hindus and Sikhs combined and a proportion of 49 per cent. of the House as a whole (two seats to be allotted to Europeans and one each to Indian Christian and Labour). The scheme satisfied neither the Hindu, nor the Muslim nor the Sikh Members of the Government, but in our own opinion merits consideration."

[At this stage, Mr. Deputy President (Mr. R. K. Shanmukham Chetty) resumed the Chair.]

Thus we find that the Government of India practically accepting the recommendations of the Punjab Government are definitely opposed to the grant of statutory majority to the Muslims in the Punjab. I want to express, in the words of Sir Hari Singh Gour, what this grant would have really meant. In his memorandum attached to the Indian Central Committee's report, he says:

"If the Muhammadan claim for one moment be conceded, it would raise a storm of opposition in the two provinces of the Punjab and Bengal, since the Muhammadans, being in a fixed immutable majority, safeguarded by statute, there would be no element of democracy left in that the opposition could never hope to turn the majority out and form an alternative government. Freed from this contingency and sheltered by the citadel of religious orthodoxy, the majority might easily become a veritable engine of oppression and misrule against which the combined opposition would be impotent and this is what the All Parties Muslim Conference seriously advocate."

Then followed the Second Round Table Conference to which Mahatma Gandhi was also invited. In his final speech the Prime Minister, referring again to the communal deadlock, as a formidable obstacle, said:

"This Conference has twice essayed, twice it has failed. We shall soon find that our endeavours to proceed with our plans are held up, if you cannot present us with a settlement acceptable to all parties as the foundation upon which to build, in that event His Majesty would be compelled to apply a provisional scheme, for they are determined that even this disability should not be permitted to be a bar to progress."



[Bhai Parma Nand.]

Here, I want to draw attention to the word "provisional". However, the Prime Minister appointed a working committee with His Excellency the Viceroy as its Chairman to make another attempt. It will not be out of place here to mention that during the course of discussions on this problem Sir Geoffrey Corbett brought forth a scheme of separation of the Ambala Division and of creating a new province with the addition of some districts of United Provinces, so as to secure a Muslim majority in the Punjab without having recourse to a method which was constitutionally wrong. Mahatma Gandhi agreed to this solution. It seems, however, that the Hindu and Sikh delegates of the Punjab did not think even worth their while to consider it and I think they missed a great opportunity of coming to a right solution of this knotty problem. It seems they were too sanguine of the reasonableness of their case. His Excellency the Viceroy held meetings of the Consultative Committee which, however, could not reach any settlement and the matter was left as it was. So, according to the statement of the Prime Minister, the Communal Award was announced on August 17. Quite contrary to all their previous recommendations and in contradiction of all constitutional principles and leaving no chance for the different communities in a province ever to come to an agreement, this Award not only gave a statutory majority, but much more than even what the Muslims claimed and asked for. By this Award, the Muhammadans get 86 and the Hindus and Sikhs combined together 75; and if we add the seats of special constituencies, the Muhammadans out of a total of 175 get 92, i.e., 5 more than Hindus, Sikhs, Anglo-Indians and the Europeans combined. Any constitution based on this Award which is neither national nor democratic will be merely a patch-work and is sure to divide the province into religious factions warring against each other. As I said in the beginning, there is a political side of the question as well.

That a complete Muslim domination in the Punjab is not only a source of danger to the Hindu minority and shall involve not only the Punjab, but the whole country into trouble, is evidenced clearly from the warning given by Lord Hardinge in a private letter written on September 2, 1846. Although 87 years have passed since, I think that the warning holds just as good as it was then.

"This entrance (Khyber-Pass) into India."

said Lord Hardinge,

"has always been the high-road taken by every invader. A Hindu Government (referring to the rule of Maharaja Ranjit Singh) acting as our advance-guard had for thirty years barred this entrance against all invaders. I am satisfied that the Muhammadan population will be generally ready to make common cause against the British power whenever any Afghan or Persian intrigue may afford the opportunity. This restless feeling was felt in the Deccan and to allow a Muhammadan power to occupy the *Doabs* between the Khyber Pass and the Sutlej, would excite and revive Mussalman hopes throughout India. It is not desirable anywhere within our Indian empire, but to permit it again to rear its head on our most vulnerable frontier and in contact with the Mussalmans of Central Asia, would be a perpetual source of anxiety to the Government."

The Hindus of the Punjab can never forget the significance of this warning. In 1919, as there was great unrest in India, there appeared a real danger of Afghan invasion on this country. Again, in 1920 and 1921, at the time of the Khilafat agitation, we know how thousands of Mussalmans from the Punjab and Sind left their homes in India (the Hijrat

Movement) to seek fresh homes in the neighbouring Muslim territory. Later on, we know that it was the expulsion of Amir Aman Ullah Khan that caused a bitter anti-British feeling among the Mussalmans and gave birth to the Red Shirt Movement in the Frontier Province. This is the view held by the intelligent section of the Hindus of the Punjab, but we know that the leaders of the Congress do not hold this. In the Second Round Table Conference, Mahatma Gandhi expressed the Congress view in very clear terms:

"The mention of word Mussalman,"

said he,

"brings me to the baffling problem of minority. Believe me that that problem exists here and I repeat what I used to say in India—I have not forgotten those words—that without the problem of minorities being solved, there is no Swaraj for India and no freedom for India. I know that, I realize it and yet I come here in the hope, of perchance, that I might be able to pull through a solution here . . . I repeat what I have said elsewhere that so long as the wedge in the shape of foreign rule divides community from community and class from class, there will be no real living solution, there will be no living friendship between the communities."

I may be excused if I quote Mr. Macdonald from his speech delivered at the end of the 1st Round Table Conference, because I think it refers very plainly to what Mahatma Gandhi said in the Second Round Table Conference:

"Every one,"

said Mr. Macdonald,

"must honestly admit that situations have arisen like some of the communal difficulties which have put obstacles in our way. Now, I want you to take it from me that the attitude of the British Government in such relations is nothing more than an over-powering desire to leave you to settle your own affairs. We are not pro-Hindu, we are not pro-anything else. If we are animated by anything, it is by the conception of India herself, India a unity, India feeling behind and below, above and beyond her communal differences, that mystic bond to unity, which the great poets, the great philosophers, and the great religious teachers of India have always felt. Believe me, the British Government has no desire to use your disagreements for any ulterior purpose. Quite the opposite. Our own ambition is that being in a sense kith and kindred with you (since history, whether you liked it or whether we liked it, has woven our destinies somehow together), we recognise that unity with you in order to have your way and smooth your path to that much required internal unity among yourselves . . . I am convinced, that our imposed agreement might make your constitution unworkable."

Holding such views as Mahatma Gandhi did, it was quite natural for him to win the Muslim leaders to his side in order to achieve his object. The Government, on the other hand, in spite of the very frank expression of high sentiments by the Prime Minister, could not sit idle and see the Muslims going over to the side of Mahatma Gandhi. Thus began a race of making offers to the Muslim leaders and from what has followed it is quite clear that in this race all principles of equity and justice were set aside. On the one side, Mahatma Gandhi offered blank cheques to the Muslims and, on the other, it seems that the Government silently promised to accede to all that they demanded. The Muslim leaders being placed in a position of such advantage, it could not be expected from them to come to any reasonable terms with the Hindus and, in the absence of any such mutual settlement, the Communal Award was issued and the Hindus of the Punjab and Bengal were made the scape-goat. It is thus that the grossest

[Bhai Parma Nand.]  
injustice has been done to the Punjab Hindus and, in the name of fairness and equity, I appeal to the Treasury Benches to come and intervene and help to set aside this Communal Award and do justice to the Punjab Hindus, because they are the backbone and the greatest taxpayers of that province.

With these words, I oppose the consideration of the Finance Bill.

**Mr. Nabakumar Sing Dudhoria** (Calcutta Suburbs: Non-Muhammadan Urban): Sir, it has caused me not a little surprise to find that notwithstanding his admitted loss of the purchasing power of the people, notwithstanding his admitted prevailing depression of the Indian trade, in spite of his admitted appalling poverty of the Indian masses and in the face of his admitted surplus, the Honourable the Finance Member has still thought it fit to continue intact the "super" taxation of 1931 and 1932. Sir, evidently he has forgotten to keep in view the observations and assurances that he made, either in the course of his introductory speech to the Supplementary Finance Bill of 1931, or in meeting the criticisms of the Honourable Members of this House, who had had occasion to discuss the several proposals of fresh taxation that he then brought forward. I say this, because I believe that if he had tried to be consistent to himself, he would have thought it worthwhile to take away, at least, the 25 per cent. additional duty on machinery, raw cotton and chemicals, the odious additional duty on salt, the unconscientious tax on small incomes and the equally iniquitous 25 per cent. surcharge thereon, and most certainly the heartless increase in postage rates on letters and post cards. "The question of financial stringency," to quote Sir George Rainy—"the need of revenue tax", to quote Sir George Schuster himself—exists no longer now. Budget has been balanced and has left a satisfactory margin too. The indigenous additional duty on salt, instead of stimulating in any way the indigenous production, has served only to create a monopoly for the Aden source, besides pressing unnaturally heavily upon the slender resources of the people, who can hardly make their both ends meet. There has been an outcry against that duty from the several Salt Associations as well as from the Governments of the three Eastern provinces.

The additional duty on machinery and mill-work, which was vehemently opposed at the time it was laid on the ground that it would affect the expansion of industries of a manufacturingly backward country and also inasmuch as it contravened all sound commercial policy, has now resulted in actual fall in quantities, whatever explanation may now be afforded for the decrease. The duty on chemicals and dyes has not come up to expectations either, although it has materially affected the expansion of some of our nascent industries. The duty on cotton, which was really a tax on raw material, was imposed in face of the recommendations of the Indian Fiscal Commission and the Taxation Inquiry Committee that taxes on raw materials required for local manufactures should be wholly discouraged, because it proved a sort of handicap to a growing Indian industry. The lowering of the income-tax limit and the 25 per cent. surcharge thereon, although they have fetched a good income, have meant extreme misery to a large class of people, who can hardly bear the burden. The additional increase of postal rates on letters and postcards can hardly be allowed to continue without disgrace to this House and with self-consistency of the Honourable the Finance Member. It has also been demonstrated beyond doubt that the continuance of those additional postage rates as also the increased rates have been financially unsound.

In the present somewhat better financial situation, it was up to the Honourable the Finance Member to scratch at least some of those unpopular duties, replacing them by some other duties, such as, excise duty on the protected industries, and also by exploring other avenues, such as export duty on hides, bones, manures, etc., and by imposing heavier import duty on foreign cotton goods. Sir, I need hardly repeat that for the last three years industry and commerce have been steadily languishing, and in most cases, perishing altogether. The Honourable the Finance Member has had the frankness to admit how "terrible" the decline has been. But, Sir, it is rather grim humour on his part when he says that the impression that he has gained from a study of what has been happening "during these last two years of terribly difficult times" is one of "admiration and wonder at the way in which India and her people have adjusted themselves to the emergency". I say "grim humour", because Sir George Schuster hardly appreciates what that enviable "adjustment" means really in actual practice. It means that nearly everybody has had his salary or wages cut, in most cases very severely. It means that thousands of well-paid men with families about them have lost their jobs entirely. It means that tens of thousands of middle class men in minor appointments have been retrenched and are now being maintained with difficulty by private and public charity. It means that scores of thousands of the manual labourers with their wives and children have been ruthlessly thrown on the roads and way-sides to exist or starve as local conditions allow. It means that everybody, including the well-to-do, are working at a loss, are losing both their capital and substance and are gradually heading for breakdown and collapse.

Sir, the Honourable the Finance Member has lectured to us very often "to have an atmosphere of reality rather than of sentiment" in financial questions affecting the whole country. May I most respectfully ask him whether—after all that he has said and done and is going to do in the matter of restoration of the cut in salaries of the Services—he has not played to sentiment outright bidding adieu to reality altogether? He would really have realised the "reality", if he had, along with that proposal of restoration of the cut, thought of the other iniquitous taxes and duties that are virtually sitting like an incubus on the masses.

Sir, the Honourable the Finance Member leads us to a not very safe conclusion, when he asserts that the recent rise in the Government securities betokens better finances of the people. Sir, nothing can be further from the reality if he really thinks so. Trade and commerce no longer affording any lucrative return and other investments having proved slippery, all that the people have has to be invested in Government Securities, and hence this plethoric rise. We must not forget that, even during the most prosperous days of the finances of our country, that is to say, even after the Great War, the value of Government Securities scarcely mounted so high.

Sir, the signs are evident that the Honourable the Finance Member really knows what has been happening and that he has a distinct sense of what is coming ahead. So, although he says: "if the present low levels as regards both prices and world demand for agricultural products were to become stabilised, very serious problems would have to be faced, and it would be necessary for those responsible for governing India to take stock again of the whole position", it is curious that he still sticks to a sort of Micawber-like faith in something turning up for the better. But



[Mr. Nabakumar Sing Dudhoria.]

the people of India expect their government to take *action* and not indulge in *pious hopes* any more. The whole position needs to be re-studied immediately if that has not been done already. A definite policy has to be laid down for raising prices and for increasing the demands of the peoples of India and of other countries for India's products. The Government can easily do this, if they would take courage in both hands and disentangle themselves from their hopelessly unsound connections with the prevalent paper currency of the West and resolve upon India's welfare by resorting to the silver standard, and I fully believe, if that is done, India will rise to such heights of prosperity as she did in the second half of the last century.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 14th March, 1933.

## LEGISLATIVE ASSEMBLY.

Tuesday, 14th March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Chairman (Sir Hari Singh Gour) in the Chair.

### STATEMENTS LAID ON THE TABLE.

The Honourable Sir Harry Haig (Home Member): Sir, I lay on the table:

- (i) the information promised in reply to starred question No. 474 asked by Mr. M. Maswood Ahmad on the 25th February, 1933;
- (ii) the information promised in reply to starred questions Nos. 415, 416 and 417 asked by Sardar Sant Singh on the 21st February, 1933;
- (iii) the information promised in reply to starred question No. 8 asked by Mr. Gaya Prasad Singh on the 1st February, 1933; and
- (iv) the information promised in reply to starred question No. 392 asked by Sardar Sant Singh on the 21st February, 1933.

### COST OF THE MEERUT CONSPIRACY CASE.

\*474. The United Provinces Government incurred an expenditure of Rs. 1,46,193 on the Meerut Conspiracy case up to the 31st January, 1933.

### NON-DELIVERY OF CERTAIN BOOKS SENT FOR FROM LONDON BY STATE PRISONER, FAZAL ELAHI.

\*415. State Prisoner, Fazal Elahi, was allowed to send for certain books on the understanding that the books, when received, were to be examined in accordance with the ordinary rules before they could be delivered to the State Prisoner in Jail. The books which have been withheld are considered unsuitable for the use of State Prisoners.

### AREA OF THE WARD IN WHICH STATE PRISONER, FAZAL ELAHI IS KEPT.

\*416. The State Prisoner is confined in a ward measuring 25' x 18' x 18½' with a verandah 8 feet wide and courtyard of 39' x 26' and walls 10 feet high. Three detenus live in the ward. They have dumb-bells and Indian clubs for exercise. The question of constructing a badminton court for the use of the detenus is under consideration.

### LATE DELIVERY OF CORRESPONDENCE OF STATE PRISONERS IN THE MUZAFFARGARH SUB-JAIL.

\*417. Owing to one of the officers concerned being out on tour there was some delay in forwarding some of the letters when the State Prisoners were first interned in the jail. The inconvenience was remedied, however, as soon as it was noticed and it has been arranged that letters will not, in future, pass through a touring officer. There has been no delay in censorship, once the letters have reached the Censor's office.

### FUND FOR THE RELIEF OF DESTITUTE PERSONS IN DELHI.

\*8.

Statement showing the expenditure on European vagrants in Delhi during the years 1931-32 and 1932-33.

|                              | Rs. | a. | p. |
|------------------------------|-----|----|----|
| 1931-32 . . . . .            | 814 | 0  | 0  |
| 1932-33 up to date . . . . . | 536 | 0  | 0  |

### PERSONS UNDERGOING SENTENCES CONVICTED OF OFFENCES IN CONNECTION WITH THE CIVIL DISOBEDIENCE MOVEMENT.

\*392.

Statement showing the number of persons undergoing imprisonment in connection with the Civil Disobedience Movement.

| Province.                              | Number of convicted persons undergoing imprisonment at the end of January, 1933. |
|----------------------------------------|----------------------------------------------------------------------------------|
| Madras . . . . .                       | 1,051                                                                            |
| Bombay . . . . .                       | 3,522                                                                            |
| Bengal . . . . .                       | 1,704                                                                            |
| United Provinces . . . . .             | 2,848                                                                            |
| Burma . . . . .                        | ..                                                                               |
| Punjab . . . . .                       | 300                                                                              |
| Bihar and Orissa . . . . .             | 2,035                                                                            |
| Central Provinces . . . . .            | 214                                                                              |
| Assam . . . . .                        | 199                                                                              |
| North-West Frontier Province . . . . . | 1,660                                                                            |
| Delhi . . . . .                        | 120                                                                              |
| Coorg . . . . .                        | 99                                                                               |
| Ajmer-Merwara . . . . .                | 36                                                                               |
| Total . . . . .                        | 13,788                                                                           |

The Honourable Sir George Schuster (Finance Member): Sir, I lay on the table the information promised in reply to starred questions Nos. 582 and 583 asked by Mr. S. G. Jog on the 27th February, 1933.

### HEAVY TRAFFIC OF COCAINE AND CHARAS IN DELHI.

\*582. (a) Conditions regarding the illicit traffic in cocaine and charas in Delhi have greatly improved during the last few years. The improvement is due *inter alia* to the vigilance exercised over the activities of illicit traffickers by the preventive staff. The existing excise staff in Delhi consists of one excise officer, one excise inspector, four sub-inspectors and one excise clerk.

(b) No such complaints have been received by the Excise Officer. A number of notorious inter-Provincial smugglers have been arrested during recent years. The following tables show the number of cases and the quantities of cocaine and charas seized in Delhi during the last five years:

#### Cocaine.

| Year.             | Persons arrested. | Quantity seized. |
|-------------------|-------------------|------------------|
|                   |                   | Oz.              |
| 1927-28 . . . . . | 84                | 210              |
| 1928-29 . . . . . | 128               | 40               |
| 1929-30 . . . . . | 61                | 52               |
| 1930-31 . . . . . | 50                | 41               |
| 1931-32 . . . . . | 25                | 33               |

#### Charas.

| Year.             | No. of persons arrested. | Quantity seized. |
|-------------------|--------------------------|------------------|
|                   |                          | Mds. Srs. Ch.    |
| 1927-28 . . . . . | 18                       | 4 15 0           |
| 1928-29 . . . . . | 19                       | 1 10 9           |
| 1929-30 . . . . . | 12                       | 4 37 2           |
| 1930-31 . . . . . | 17                       | 4 20 0           |
| 1931-32 . . . . . | 17                       | 7 12 0           |

As regards charas, owing to the reduction of duty from Rs. 60 to Rs. 20 per seer in the middle of 1928, the consumption of licit charas has gradually increased from 635 seers in 1927-28 to 3,581 seers in 1931-32 and there is very little scope for the smuggling of charas in Delhi now-a-days.

(c) License fees rose by Rs. 35,000 in 1931-32 when the price of charas rose from 0-9-0 to 0-12-0 per tola, but in 1932-33 there was a fall of Rs. 37,710. The fall was due to the fact that the profits in the previous year were not so great as were anticipated owing to the continued economic depression. There has been an increase of Rs. 7,500 in license fees in the Excise sales which have just been held.

(d) The Excise Clerk is a resident of Delhi, as are most of the other clerks working in the District office. He has been working in the Excise office since 1924. There is no reason to suspect that he has any influence with local smugglers since he has only office work to do.

(e) Yes. The Excise Clerk was transferred to another department in 1929 but was re-appointed a few months later in the interest of the public service. The officer who was then performing the duties of the Excise Officer in Delhi, made no objection to his re-appointment.

#### HEAVY TRAFFIC OF COCAINE AND CHARAS IN DELHI.

\*583. (a) Only one Inspector and one Sub-Inspector have been in Delhi for the last five years, the other members of the excise staff having been for lesser periods. These officers are not appointed in Delhi for any fixed period but are kept as long as they are required in the interests of the public service. The special nature of excise problems in Delhi makes it undesirable that there should be frequent changes in the excise staff.

(b) The police co-operate with the excise staff in the suppression of the illicit traffic in drugs and it is not proposed to entrust this duty solely to the Police Department.

(c) Government see no reason to adopt the course suggested.

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, I lay on the table:

(i) the information promised in reply to starred question No. 458 asked by Khan Bahadur Haji Wajihuddin on the 23rd February, 1933;

(ii) the information promised in reply to starred question No. 548 asked by Bhai Parma Nand on the 27th February, 1933;

(iii) the information promised in reply to starred question No. 584 asked by Mr. S. G. Jog on the 27th February, 1933; and

(iv) the information promised in reply to starred question No. 349 asked by Mr. Gaya Prasad Singh on the 20th February, 1933.

#### SELECTION OF AN OBJECTIONABLE DRAMA BY THE TEXT BOOK COMMITTEE, DELHI.

\*458. (a) Yes.

(b) It is a matter of opinion.

(c) Since 1929, but the book has been replaced by another for the examination of 1935.

(d) The Text Book Committee, Delhi, does not recommend, prescribe or deal with University text books. The Honourable Member is probably referring to "the Committee of Courses and Studies in English" of the University. The names of members of this Committee, who recommended the drama, are:

1. Mr. C. B. Young.
2. Mr. R. S. Capron.
3. Mr. P. C. Ghosh.
4. Mr. A. Bhattacharya.
5. Mr. A. K. Mookerjee.

(e) No.

(f) and (g). No. Government do not consider any action necessary or possible.

(h) Government are quite sure that the Committee of Courses and Studies in English in the Delhi University had no intention of causing offence to the susceptibilities of Muslims.

#### LAND ON THE LEFT HAND SIDE OF THE TOWN HALL IN THE QUEEN'S GARDEN, DELHI.

\*548. (a) Yes.

(b) The construction was stopped on account of the fact that Muhammadans of the locality alleged that certain ruins discovered on the site were those of a mosque which previously stood there.

(c) The site belongs to Government and will continue to do so. The Muhammadan community has only been accorded the privilege of using it as a place of worship, and for no other purpose.

(d) No. It was not necessary for the Local Government to consult the Government of India in the matter.

(e) and (f). No. The advice of the Archaeological Department was not sought as there was no evidence that the building was of historic interest. The question of its preservation under the Ancient Monuments Preservation Act does not, therefore, arise.

(g) No.

(h) No document in respect of the transfer of the site has been executed.

(i) No. The site is in a corner of the Garden in close proximity to a Muhammadan *Muhalla*.

#### ALLEGED CORRUPTIONS IN THE DELHI NAZUL DEPARTMENT.

\*584. (a) Yes.

(b) No. Only two cases warranting an enquiry including the one mentioned in part (e) were reported and have been duly investigated. The allegations in the second case were not proved.

(c) and (d). No.

(e) Nazul dues amounting to Rs. 3,331 collected by the Nazul Superintendent were not credited to Government in time. They were, however, paid in by him when the accounts were checked by the Nazul Officer, so no money was lost to Government. The Nazul Superintendent has since resigned.

#### CUTTING OFF OF THE WATER SUPPLY TO LABOURERS IN NEW DELHI.

\*349. The Honourable Member is presumably referring to the two settlements in Block No. 11, and Block No. 205. Originating from the eventual congregation of the various labour camps which existed in this area when New Delhi was under construction, they now include a large proportion of free squatters. None of these have any claims upon Government. Even of those who were at one time employed on Government work, smaller numbers are now wanted for that purpose owing to contraction of the demand for labour. In the interests of the sanitation of the new City these camps have to be dismantled. The need for this has always been present to the Local Administration. It has recently been reinforced by the necessity of conserving the water supply, especially during the summer, for the permanent population of the City. Government employees and those required for works were removed and housed in the Government barracks which stand in the southern outskirts of the New Capital. Contractors old barracks which stand in the southern outskirts of the New Capital. Contractors were offered land by the Chief Commissioner for housing labour. All the coolies concerned were also told that they could take up land for occupation in Jangpura village. As no advantage was taken of the last two offers, the Local Administration had no option but to enforce evacuation by all legitimate methods open to them. The cutting off of the water supply, after due warning had to be resorted to because resistance to removal persisted in some cases even after eviction had been decreed by the Courts. Even so, public latrines and bathing places in the camps still continue to be supplied with water.

**Mr. H. A. F. Metcalfe** (Foreign Secretary): Sir, I lay on the table the information promised in reply to starred question No. 336 asked by Mr. S. C. Mitra on the 20th February, 1933.

#### IMPORT DUTY ON INDIAN MADE GOODS IN THE KASHMIR STATE.

\*336. No. The allegation that the Kashmir Government have granted preference to British and Colonial manufactured goods over Indian manufactures is based on a mis-understanding arising out of certain omissions in the printed schedule to the Kashmir Customs Tariff, which have since been rectified. As a matter of fact certain classes of imports from India are in enjoyment of special preference in Jammu and Kashmir.

#### ELECTION OF THE PRESIDENT.

**Mr. Chairman** (Sir Hari Singh Gour): In accordance with the provision of sub-rule (3) of rule 5A of the Indian Legislative Rules, I have to announce to Honourable Members that ten nomination papers duly filled in have been received on behalf of Mr. R. K. Shanmukham Chetty. (Cheers.) The names of the proposers and seconders are as follows:

Sir Hari Singh Gour.

Sir Leslie Hudson.

Raja Bahadur G. Krishnamachariar.

Lala Rameshwar Prasad Bagla.

Mr. Muhammad Yamin Khan,

Raja Sir Vasudeva Rajah.

Sardar Sant Singh.

Rao Bahadur M. C. Rajah.

Mr. Muhammad Muazzam Sahib Bahadur, and

Mr. B. V. Jadhav.

Mr. C. S. Ranga Iyer.

Mr. F. E. James.

Mr. N. N. Anklesaria,

Mr. B. Das.

Kunwar Hajee Ismail Ali Khan,

U Kyaw Myint,

Mr. H. P. Mody,

Mr. N. M. Joshi,

Mr. B. N. Misra, and

Maulvi Sayyid Murtuza Saheb Bahadur.

Proposers.

Seconders.

As no nomination papers have been received on behalf of any other Member, I declare Mr. R. K. Shanmukham Chetty duly elected. (Applause.) All that is necessary now is to obtain the approval of His Excellency the Governor General required by sub-section (1) of section 63C of the Government of India Act, and the necessary arrangements being made to secure that approval.

#### THE INDIAN FINANCE BILL—contd.

**Mr. Chairman** (Sir Hari Singh Gour): The House will now resume discussion of the motion that the Indian Finance Bill be taken into consideration.

**Several Honourable Members:** Mr. Chetty to speak, Mr. Chetty to speak.

**Mr. Chairman** (Sir Hari Singh Gour): Order, order. Dr. Ziauddin Ahmad.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, year after year we are required to give our blessings and put our seal on the distress Bill known officially as the Finance Bill. By our policy of taxation—or rather I should say want of any policy—we have unstabilised the trade. The 28th of February of each year is the eventful day for a businessman and he does not know whether he would become a pauper or a millionaire in the course of the next twelve months. We should have some principles of taxation and every person should understand them. To play about on the 28th February with these taxations and have fire-works about them, is a matter which should be stopped. I cannot formulate any policy of taxation in this short interval at my disposal; but I would like to make one or two observations.

In the first place, we should remove altogether what is called the export duty. It is a very unhealthy duty and it is really retarding the progress of our trade. We have an export duty on three main articles, that is, jute, rice and hides and skins. In the case of jute we know that on account of this duty the world is trying to find out some cheap substitute, and, if we do not take timely action, it is quite possible that this cheap substitute may kill the jute trade of India. The second thing is about rice. Here we have got a very unhealthy position. The duty is charged on export from certain ports in India and it is not charged if it is exported from some other ports. Therefore this anomaly is very objectionable and we should have some kind of uniformity, and I think we should try to remove altogether this export duty. The position of the last commodity, hides and skins, is really very pitiable. I do not want to take up this question in detail today, as I will have to discuss it at greater length when I move my formal motion about the abolition of this duty, and I make out a case that the abolition is exceedingly desirable. I think it is not altogether correct to say that this will be to the disadvantage of Madras and, to some extent, of Bombay. There may be some loss, but that loss is very trifling, compared with the enormous gain which we have for India as a whole. That is the point which I will make out when I formally move that the duty be abolished. I shall give figures and I shall expect to be replied by means of figures and not by means of sentiments alone. I have got absolutely no interest in hides and skins, but I have the interest of India. In fact some of the tanners, and, especially, our colleague, Mr. Jamal Muhammad, are my personal friends. Today I would like to confine myself to three points. One point is that since the Government decided to abolish this export duty in 1927, the position of the hides and skins trade has gone from bad to worse. Let me first take the

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quantity—I do not take the value, because it might be said that prices have gone down. Look at the quantity of the exports. In the year 1927-28, we exported 40,000 hides. In the following year, it fell to 37,000 and then to 25,000, and in 1931-32 it fell to 16,000; and, in the current year, to 8,000 tons. That is about one-fifth of the quantity which we have been exporting five years ago. Looking at it from the point of view of income, we find that the law of diminishing returns, if it had any significance at all and if it could be applied to any commodity, it could be applied to the duty on hides and skins. Looking to the year 1929-30, we budgeted for 37.74 as revenue from this export duty, whereas we actually collected 35 lakhs. In the following year, we put down 38, and the actual revenue was 24 lakhs. In 1931-32, we estimated 26, but the actual income was 20 lakhs only. In 1932-33, the actual income was 14 lakhs against the Budget estimate of 25 lakhs. This year we have estimated 14 lakhs, and I am positive that the income will not exceed eight lakhs. Therefore, my first point is that the law of diminishing returns is being applied to hides and skins and the volume of export is substantially diminishing.

Now, Sir, it may be said that this is really due to the fact that the world demand is diminishing. I have got a paper before me showing the imports into Germany, and I find from this paper that the imports into Germany of hides and skins is pretty constant. It is approximately 5½ millions. The variation is very small indeed. So, while the total imports of hides into Germany has remained constant, the hides imported from British India has diminished from nearly 34,000 to 7,000, that is, by about one-fifth. This fall is due not to the world depression, but it is certainly due to the export duty which we are levying here. I shall prove that the abolition of duty will not really be a definite loss to Madras, as some people might think. Of course, it may be a loss to one or two individuals, but we should overlook the loss to one or two individuals when we consider the interests of the country as a whole.

Coming to the import duties, these may be classified under two heads, what we call the revenue duties and protection duties. I would always emphasise the fact that the protection duty should be limited to a certain period only. You cannot levy the protection duty for an unlimited period. You cannot support the orphanage of my friend, Mr. Mody, for an unlimited period by collecting small revenues from the poor consumers. You can certainly give the Bombay people the necessary assistance for a certain period, and afterwards they must stand on their own legs. I consider seven years to be a reasonable period for giving protection, and it may, in special case, be extended under executive orders and by the Legislature up to a limit of three years. I consider 10 years as the maximum period for which protection could be allowed; and if the industry fails to stand on its own legs, then it must go in for open competition in the world market. No Government can go on taxing the poor consumers for the benefit of the millowners and mill associations.

Coming to revenue duties, I think here also we have no definite policy. We practically tax everything that we can possibly tax. I would in this case select a few articles and put the duties only on those articles and not have a heavy duty of 25, 30 or 40 per cent. without distinction. The Honourable the Finance Member will himself realise that the law of diminishing returns is already in operation in a large number of these imported articles. Let us make a distinction and examine it very carefully,

and apply the principle only to certain articles on which we can collect sufficient revenue for our purposes. It is an important fact that the income from our customs duty is approximately equal to our military expenditure, and so we can safely say that our military expenditure could be covered by our income from our customs duty, and, therefore, it is desirable that all the countries which are benefited by our army and which enjoy peace, on account of the army we maintain, should be made to pay for it, and no class of persons should be exempted from paying customs duties. It may be said that we have got a number of treaties. It is true, but we may allow them some kind of rebate. What is happening is this. These treaties are utilised for establishing a kind of rival ports through which they avoid the payment of customs duties to the Indian exchequer. I would very much urge that the Government of India ought to have a monopoly of the customs duties at every port in British India, and if the Government want to allow certain rebate to certain States, they can allow such rebate only on those articles and quantities which are actually consumed by the States, but that particular treaty should not be made an excuse for creating a kind of rival country to compete on unfair terms with commercial people in British India.

I now come to deal with the question of dumping. I have already tabled a motion, and I will discuss it in detail when I move the formal adoption of my motion, but I will mention only one or two points at this stage. The British Government have got two favourites in this country, the merchants of Bombay, represented in Mr. Mody, and the European merchants of Calcutta represented in Mr. Morgan. I do not envy their position. I wish Government had more favourites of this kind, but what I would like to emphasise is the fact that the advantages that the Government might be willing to give to their favourites ought to be extended to all people who are more unfortunately placed than these millowners and merchants, because the other people have got no direct access to the Government as they don't possess sufficiently strong organizations to have their cases heard. Therefore, whatever rules may be framed for the benefit of the favourites, Government ought to frame them in a manner so as to benefit every person in India. For this reason I suggest an automatic system of meeting the depreciated currency, and I suggest two things. These suggestions are novelties. Other countries have tried them in order to meet their own depreciated currencies. I will take Japan as an illustration. Instead of putting an extra duty on those articles in which the Bombay millowners stand to lose, we should devise a formula by which all the industries of India should be benefited. Now, the customs duty is calculated in two ways, (1) *ad valorem*, (2) on quantities. Instead of calculating the value of rupees at the current rate of exchange, let the values of commodities on which customs duty is charged *ad valorem*, be calculated on the basis of a standard exchange, and this should be fixed by the Executive Council and announced in the Government Gazette. Whenever the duties are not *ad valorem*, but on quantities, then the quantities should be measured in this way. Take up the actual quantity, multiply it by the standard rate of currency and divide it by the current rate of exchange, and customs duty should be charged on this increased quantity. Suppose the exchange of Japan has fallen to half the value. If you bring in one ton of an article, instead of calculating it as one ton, you calculate it as two tons and charge customs duty accordingly. By this method it will not be necessary by executive action to vary the rate of duties from year to year on specified articles. The advantage of the

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depreciated currency will go partially to the consumer and partially to the tradesmen and partially also to the Government which at present are losing on account of the depreciated currency to the extent of depreciation.

There is one more point I wish to make, and that is in regard to the question of rupees in the paper currency reserve. We know that before the war one rupee was worth actually one rupee; that is to say, if anybody melted a rupee, he got silver valued for one rupee. Therefore, there was no question of any depreciation . . . .

**An Honourable Member:** No, no. We never got a rupee for a rupee.

**Dr. Ziauddin Ahmad:** Now, I find some Members say that they did not get exactly 16 annas for a silver rupee. Of course, there was some kind of alloy, but they got something very nearly 16 annas, but not what we get now. The price of silver has now fallen and one rupee is worth about seven annas and last year it was worth about six annas. Therefore your rupee is now practically a token coin printed on silver. My Honourable friend, Haji Wajihuddin, drew attention to this fact, and I should like to enlarge that particular point that your rupee is at present only a currency note printed not on paper, but on silver. And if you have got any currency whose true value is not the same as the true value of the metal, then it must be treated on the same footing as paper currency. As soon as the price of the rupee fell, what the Government of India ought to have done was that they ought to have established a rupee currency reserve in the same manner as they have got a paper currency reserve, and this rupee currency reserve ought to have been put down in terms of gold. Had this action been taken, the whole question would have been very much simplified, but instead of doing that, they tagged our rupee to the gold sovereign of the United Kingdom and now we have linked it to paper sterling and the stability of the rupee has been transferred to the stability of the paper sterling in England. This is not all that they have done. We have done something more. In the case of the paper currency reserve, instead of putting gold to the extent of 40 per cent., they have put gold to the extent of 13 per cent. The story does not end here. They keep half the reserve in terms of rupee which in itself is a token coin. 50 per cent. of our paper currency reserve is in the shape of rupees which in themselves require a kind of rupee standard reserve. Therefore, the whole thing is practically arguing in a circle, and I think the position is very illogical—that is, to put down one depreciated currency as a reserve for another depreciated currency.

Sir, I may be permitted to state a few words about our loans. This is a very important matter. We are putting 42.35 crores of rupees every year under the interest charges. I take this opportunity to impress upon the Finance Member that the interest rates ought to be diminished, and I support it on these grounds. After the War we notice that the price level was very high. It rose to something about 200 and now the price level has fallen to less than half. Rs. 6 in 1923-24 had the same purchasing value as three rupees today. Therefore, if you paid Rs. 6 about ten years ago, it is equivalent to Rs. 3 being paid at the present moment. That is on account of the fall in price index. It is very desirable that we should introduce the same kind of legislation as the United Kingdom has done, that

is, we should reduce our interest rates from 6½, 5½ and 5 to 4. I would not go to the extent of 3 as they did in England, but I would certainly recommend that we should go to the rate of 4. We have been trying to imitate British legislation in matters which are not suitable to us, and why should we not follow it when it is advantageous to do so? As regards sterling loans, I would recommend that we ought to pool with the British Government. The majority of investors in the sterling loans are Indians, they are not non-Indians and if we could negotiate with the British Government and pool together our loan for the common benefit of stabilising our common currency, it is possible that we may gain our desired object. I have got no definite suggestions to offer, but I would certainly like the Finance Member to consider very carefully whether he cannot possibly reduce the enormous amount of 42 crores of rupees in interest charges to a reasonable figure. If our interest charges could be reduced, then most of our own troubles which we have got in the case of the Railways, most of the troubles which we have got in connection with taxation, most of the troubles which we have got in the case of retrenchments, and most of the things which we have got in the case of cuts in salaries—will all disappear and they can all be solved by one action, and that is the reduction in our debt charges.

**Mr. Chairman** (Sir Hari Singh Gour): May I ask the Honourable Member how long he is likely to take?

**Dr. Ziauddin Ahmad:** About half an hour.

**Mr. Chairman** (Sir Hari Singh Gour): Very well, the Honourable Member may go on.

**Dr. Ziauddin Ahmad:** I would like to take this opportunity to draw attention to one or two other points. I gave notice of cuts in connection with the demands, but unfortunately they could not be discussed. When we were discussing the Foreign and Political Department, I wanted to make one suggestion. I am sorry that the Foreign Secretary is not here, but probably he will have an occasion to read what I have to say. I very strongly advocate some kind of revision of the policy in the North-West Frontier. I do not advocate so much for political reasons or on the ground of foreign policies, as I advocate it only as a piece of retrenchment. We have got certain tribesmen living between the borders of India and Afghanistan whose area is more than the double area of the five settled districts, whose population is more than the population of the five settled districts, and it is desirable that we should have some kind of definite policy. I do not want to discuss the question of what is called the "forward policy" or the "backward policy" or the "stationary policy". In my opinion, the discussion on these policies is outside the discussion of practical politics. When Russia was a great power, those policies might have been real, but in these days they are only questions of historical interest. The first question that I and we must come to the practical side of it. The first question that I ask is whether these tribal areas do, or do not form part of British India. If the answer is that they do not form part of British India, then I have nothing more to say. But if you say that they do form part of British

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India, then I have a certain suggestion to offer. I say that they do form part of British India, because our customs line is not on this side of the tribal area, but on the other side and all the people in the tribal areas pay customs duties on all articles coming from the North-West Frontier. We have our own roads in the tribal areas; we have Railways in the tribal areas; we have got our own administration through a Political Resident. Therefore, it is useless for us to say that they do not form part of British India. In olden days, they used to be called independent tribes, but the Foreign Office has changed the name. They are not called independent areas, but tribal areas. From all these considerations, it is rather difficult to believe that they do not form part of British India. They do form part of British India and I strongly advocate that we should frankly admit it and devise some method of government for these tracts, and bring them in our all-India Federation.

Now, our method of spending enormous sums of money in constabulary, in maintaining a large army and various other things may disappear or at least may be substantially reduced. I think we ought not to be spending so much money as we are doing now. If we once announce that they form part of British India, all our fears will disappear, and there will be no use in maintaining the constabulary as we are now doing. People may say that they are persons of democratic temper and they would not come under the rule of any person. It is quite possible that we may keep them in the shape of democracy. We had got an example of this kind in Germany. There was monarchy and Kaiserdom, and even then Germany had democracy under monarchy, for example Hamburg which always has a democratic form of Government. So it is quite possible to have a democratic Government and they may still form part of British India; and once this is decided, they can come in in the Federal Assembly, and the large sum of money which we are spending now need not be spent. We know very well that the fight with Russia is more a diplomatic fight than a military fight. We know the position of Afghanistan and, once this question is solved, it will not be necessary for us to maintain a large army, as this part of the country will be part of British India. This is a question which I would urge on the Foreign Secretary to consider carefully. We should decide this question one way or the other and frame our policy accordingly.

As there are many other speakers wanting to speak, I would refer only to one or two things. I can never allow a discussion on the Finance Bill to pass away without making some reference to education. First I should like to refer to the question of the advisory board. The other day, the Secretary for Education admitted on the floor of the House that the Government of India had decided that this board should come into existence. He said that all the Provincial Governments had agreed that it should come into existence, but the only difficulty was that they could not afford Rs. 40,000 needed to bring it into existence. If these are the facts, then, I say, these are inconceivable facts. The other day, the Finance Member himself admitted that he, as currency authority, has secured about 93 crores of rupees from the export of gold, as a result of the savings due to favourable balance of trade since England went off the gold standard. Is it not possible, out of these 93 crores, for the Finance Member to give this 40,000 for a thing which has been recommended by a very important Committee?

May I ask whether the Secretary for Education has prepared a scheme and put it before the Finance Committee and, if so, may I ask the Finance Department when will it be laid before the Finance Committee? When they want to spend money on unproductive projects, they find plenty of money. They can create posts of Secretaries and Deputy Secretaries. Even in the Education Department, they are going to have one more Secretary or Deputy Secretary. It is rather a drawback that a scheme, which has got the unanimous support of the Provincial Governments, should be simply shelved on financial grounds.

The next thing I want to touch is the question of unemployment of middle classes and its root cause is to be found in schools and colleges. The causes are not to be found in the policies of Government administration, nor industrial and financial magnets. The object of our institutions is simply to turn out clerks for service. If the system of education and curriculum of studies is revised in the same manner as European countries have done in recent years, I am sure, this question of unemployment will disappear. Unless the Education Department takes it up, it is impossible for any body of men or any other Department to cope with the situation. Young men should be taught to earn their living with their own hands. Just now their idea is to sit on a desk with a pen in their hand and a peon waiting to bring them water. This idea must be removed from their heads and they must be taught to work with their own hands. Unless we change the whole outlook of the educational scheme, it is impossible to cope successfully with this question of unemployment. I shall probably have more occasion to discuss the details of this, if my Resolution on this subject is ballotted, but I would like to emphasize with all the force at my command that unless the Education Department of the Government of India come to the rescue of the people and change the entire educational outlook the question of this unemployment cannot be solved, and, with the abnormal increase of graduates and matriculates, the position will go from bad to worse. We have copies in our own system of education everything which was bad in the system of education in Britain and ignored very carefully all those institutions which are really the best in England and of which England is justly proud. I refer to the public schools, and polytechnics. How many public schools have the Education Department established? They always say that the system of education in a public school is a good system of education. If it is good for the United Kingdom, why should it not be good for India? We did talk of one public school here in connection with a scheme promoted by the late Mr. S. R. Das, but the whole thing has ended in talk only. They prepared an ideal scheme on the lines of the Harrow School, but the scheme has not been pushed through for want of funds and lack of foresight. It is not the money that is necessary for this purpose so much as the tradition, the desire and the spirit of the men. I am perfectly certain that with the little money that is at our disposal, it is possible to build up the system of Public Schools. The second institution for which I plead is the polytechnics of which we have never heard anything in India. It has been in existence in England for the last two centuries and they have recently been very much strengthened. These institutions are the places which equip men to earn a living and make them useful as earning members of society. We have not got that type of institution in India.



[Dr. Ziauddin Ahmad.]

Then my friend suggests that I should talk about the ratio. It is at present outside practical politics on account of the export of gold. As soon as the export of gold is stopped and England may resume gold standard, the ratio question will come in.

Now, coming to another aspect of education, I should like to draw attention to the question of primary education. I said on the floor of the House last year that if the Government of India could give two crores of rupees to the provinces, then compulsory primary education could be enforced immediately among boys. Is it too much for me, then, to request the Honourable the Finance Member, with all submission and humility, that out of his Rs. 93 crores which he has acquired, according to his own statement, as currency authority.

**The Honourable Sir George Schuster** (Finance Member): Sir, I really cannot allow the Honourable Member to go on talking about this Rs. 93 crores which I am supposed to have pocketed. May I explain the position to the House? I explained to the House in dealing with the question of the export of gold, that out of the proceeds of the export of gold the Government had been able to acquire a very substantial sum of sterling. I cannot at the moment recollect whether the figure of 93 crores is correct, but I accept it from my Honourable friend that the amount of sterling purchased was equivalent to 93 crores of rupees. In order to acquire sterling remittance to that extent, the Government had to pay out Rs. 93 crores to the private individuals in India who had possession of the sterling balances. Therefore, it is not a case of my having acquired 93 crores: it is a case of the public of India having acquired Rs. 93 crores from the Government against the sterling balances which they transferred to the Government of India.

**Dr. Ziauddin Ahmad**: Sir, when I stated that he had acquired these 93 crores, I did not mean that he had them in his pocket. It is a very big amount to be pocketed, nor did I mean to say that he had got the balance under what is called the Central Revenue Account, so that he can get rid of taxation to the equivalent of these 93 crores. This is not certainly what I meant. I said that out of export of gold in some shape or other, 93 crores came within the purview—if I might use a very wide word—of the Finance Department. I think it is a very mild expression (Laughter). These things, however, do not affect my argument. I am really certain in my mind that if the Honourable the Finance Member wants to make up his mind that this really is expenditure which ought to be incurred, he will find ways and means of doing it. Now, if this would involve additional taxation for furthering the activities of the nation-building Departments, then I am quite sure the people will always be willing to accept such increase in taxation—that is, if the taxation is levied specifically in order to promote the sphere of usefulness of the nation-building Departments, and if it is not levied in order to meet the ordinary expenditure alone, and if it is frittered away only for army expenditure purposes, in that case though the Finance Bill may be carried by a majority of the votes or by certification, nevertheless the people of India would not like such increased taxation for such purposes.

## ELECTION OF THE PRESIDENT.

**Mr. Chairman** (Sir Hari Singh Gour): Order, order. I have received the following Message from His Excellency the Viceroy and Governor General:

(The Assembly received the Message standing.)

"In pursuance of the provisions of sub-section (1) of section 63C of the Government of India Act, I, Freeman, Earl of Willingdon, hereby signify that I approve the election by the Legislative Assembly of Mr. R. K. Shanmukham Chetty as President of the said Assembly.

(Sd.) WILLINGDON,

Viceroy and Governor General.

NEW DELHI;

The 14th March, 1933."

I would now invite Mr. R. K. Shanmukham Chetty to occupy the Chair. (Loud Applause.)

[Mr. Chairman (Sir Hari Singh Gour) then vacated the Chair, which was occupied by the Honourable Mr. R. K. Shanmukham Chetty amidst Applause.]

**The Honourable Sir Brojendra Mitter** (Leader of the House): Mr. President, on behalf of Government and on my own behalf, I congratulate you most warmly on your election (Loud Applause.) Those who have followed your public career have confidently expected that it will lead you to eminence. That the unanimous suffrage of this House has elevated you to that Chair is convincing testimony of the correctness of those expectations. This high honour, Sir, has come to you early in life. But I am sure I express a general conviction when I say that it is eminently merited. (Loud Applause.) You have established your claim to mastery in debate which is the key to parliamentary success. During the weeks, Sir, that you have presided over our deliberations since the beginning of this Session, you have shown that, with lucid intellect and independence of judgment, you combine impartiality and firmness of character (Loud Applause.) We are sure, Sir, that these qualities will enable you to maintain the high traditions which you inherit from your predecessors; that the dignity and the privileges of this House will be safe in your hands. We wish you every success, Sir, in your new office which, if I may be permitted to express a hope, will be only the first of many as exalted. Sir, I assure you of our full support in the discharge of your onerous and responsible duties. (Loud Applause.)

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, on behalf of myself and my Party I heartily join in the felicitations which have fallen from the Honourable the Leader of the House and which have been conveyed to you on your election to the high dignity of the office of the President of the Legislative Assembly. Sir, I personally would be a loser, because I know what a tower of strength you have been to us all (Loud Applause) on these Benches, and how on occasions like this when financial questions are under discussion, every face used to turn to you for inspiration and guidance (Hear, hear) upon the thorny questions that used to come up for discussion during these debates. But what has been

[Sir Hari Singh Gour.]

the loss of the Nationalist Party is the gain of the House (Hear, hear), and for which we congratulate the House upon its choice of you as its President. It is unnecessary for me to assure you, Mr. President, that you will receive both from me and my Party and from the House generally unstinted and abundant support. (Hear, hear.) It is equally unnecessary for me to say that as the custodian of the rights and privileges of the House it is needless that any reminder should go to you, because you have been so closely acquainted with the rights and privileges of the Members in your office as Deputy President that we feel perfectly safe to entrust those rights and privileges into your safe keeping. Mr. President, I once more congratulate you upon your exaltation to the high dignity of the President of the Legislative Assembly. (Loud Applause.)

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): Sir, I associate the Independent Party and myself with all that has fallen from the Leader of the House and Sir Hari Singh Gour. Sir, there is no one in this House who, from experience of your work in this Assembly, has not been assured that in your hands the dignity of the Chair and the rights and privileges of this House will be perfectly safe. We have seen you, Sir, as a Member of this Assembly, and we have always appreciated the great ability with which you have dealt with the many important and difficult questions that have been brought up. Your elevation to the Chair will be a loss to us in that respect, but you have been called to a high and important office, and we feel certain that you will conduct yourself in that office with that ability and that dignity which is expected from the occupant of the Chair. Sir, we believe that you will conform to the traditions of the great office which you are holding, and I wish to assure you on behalf of my party,—and I may take it on behalf of every Member of this House,—that you will have our fullest support. (Loud Applause.)

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, as one of the ex-Speakers of this Assembly (Cheers), I wish to join in the chorus of congratulations on your elevation to the exalted office of the President of this Assembly. Sir, you will remember that you and I both joined this Assembly in 1924 and for a time we were both members of the same party, and, therefore, I had greater opportunities, from the very beginning, to come in contact with you. I remember, very well, that from the very beginning you made a mark in that, most remarkable and memorable, Assembly as a brilliant young man, with a sound knowledge and intelligent grasp of the problems that came before the House. Since then, you have not only established your fame, but enhanced it by your firmness and independence. Your speeches were always marked by force of logic and strength of arguments, and communalism never entered your politics. (Applause.) These are the qualifications which go to make a successful President of an Assembly like this. That you command the confidence of the House is fully proved by the fact that your selection was hailed from all sides of the House and resulted in your unanimous election. I am sure that you will not only maintain the traditions of your illustrious predecessors, but will succeed in enhancing the reputation of the Chair. I hope that the dignity and honour of the Chair will be safe in your hands, and you will amply justify the confidence which the House has reposed in you. I again congratulate you and feel a personal gratification that one of my colleagues, with whom I had the pleasure of co-operating from the very beginning, has been raised to this office. (Cheers.)

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): Sir, on my own behalf and on behalf of my Party, I congratulate you on your unopposed election to the Chair. You, Sir, showed great ability on the floor of this House and everybody admired you for your speeches and your particular characteristics. But when you worked for a few days as Deputy President, in the absence of the President, you made your mark and everybody felt that you showed greater ability in the Chair than was expected in the absence of your illustrious predecessor. You enjoy the full confidence of the whole House and I assure you of the fullest co-operation from my Party. With these words, I associate myself with all that has fallen from the different speakers and congratulate you again. (Loud Applause.)

**Sir Leslie Hudson** (Bombay: European): Sir, on behalf of the European Party, I most heartily congratulate you on your election to the Presidential Chair. Your conduct of affairs during the past few weeks has left us with the confidence that you will occupy that Chair with that dignity with which it has been associated for so many years. We have confidence too that you will efficiently conduct the business of this House to the end that there shall be no waste of time, but without depriving Members of their reasonable rights of discussion. Sir, I echo what the previous speakers have said and assure you that you will have the helpful co-operation of my Party. (Applause.)

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, as one who belongs to the youngest and, therefore, the strongest Party in this House, I associate myself and my Party with all that has fallen from the previous speakers. To me it is a very easy thing. If I had started at the beginning, probably I should have had to speak a great deal. But now everything that can be said has been said. I do not want to embarrass you by talking to your face of all the characteristics of head and heart that during the short time I have been in this House I and my Party have learnt to appreciate in you. Sir, over and above every observation that my friends have made, there is one thing that I take peculiar pride in and that is that you are the first Madrassi to be elected to the Chair. (Applause and Laughter.) It may look parochial, it may look provincial; all the same, my pride is very great, because although this reformed Assembly has been in existence for 12 years, no one from Madras had a chance, and yet day in and day out the Madras people are supposed to have occupied every position of advantage in the Government of India. (Laughter.) But, Sir, that is not all. Every President had to contest his seat. To you, Sir, fell the unique honour of being elected to that distinguished Chair without absolutely any opposition. (Loud Applause.) Sir, to these qualifications I think I need not add more except one little thing that I would remind you of. After the first few days of my acquaintance with you, I expressed to you my own private and individual opinion, such as it is, about you; and I am very glad that I have lived and continued to be in this House to see the consummation of what I then said would come to pass.

Sir, you know that in spite of all the obloquies that have been heaped upon my head, I do not feel myself ashamed to be called a  
12 Noon. Brahmin and no Brahmin does anything without a *dakshina* and the *dakshina*, Sir, that I ask at your hands is to be tender to young

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[Raja Bahadur G. Krishnamachariar.]

and new Members like myself who do not understand the procedure. But, so far as this House is concerned, we want to do something, but we are so much afraid between the rules that govern the debate and the august position of the President who has got to be worshipped from a distance as God Almighty; between these two you have absolutely no idea how much we are afraid before we stand on our legs and begin to speak. Sir, be tender to us. For the rest, I have absolutely no doubt that you will uphold the dignity of the Chair, which is, next to His Excellency the Viceroy, the grandest position that one can occupy. To me it is a peculiar pleasure that you are one of our own men from Madras. Sir, I congratulate you and assure you of our strong support. (Applause.)

**Major Nawab Ahmad Nawaz Khan** (Nominated Non-Official): Sir, as a Member of this Honourable House, I heartily congratulate you for the honourable position that you have got now today. I associate myself with all those Honourable Members who preceded me in all the good words about your capabilities. As your personal friend, I respectfully draw your attention to two important points because your future dignity and success will depend upon them. You know that you are younger than your two distinguished predecessors and in the conduct of the business of the House, if you will always prove that you have an old head on young shoulders, it will be of very great use to you and will add grace to all the other qualifications that you have. Secondly, in the high position that you hold now, I hope you will not have any regard for the party politics and that in all future questions you will observe strict neutrality and impartiality with a view to maintaining the dignity of the Chair. I am sure that the Government have placed confidence in you knowing that you will prove yourself quite worthy of it and that you have all those qualities which are so very necessary to maintain your dignity and the dignity of this House.

**Dr. R. D. Dalal** (Nominated Non-Official): Sir, I rise with keen delight in the opportunity which it gives me to pay a tribute to you who have won the admiration and have earned the confidence of every section of this Honourable House, and I can assure you, with all the sincerity at my command, that it affords me very great pleasure indeed to join in the chorus of this universal congratulation. Sir, you have been unanimously elected President of this Assembly; and I should like to express a sincere hope that the best of good health and strength may be given to you to enjoy this unique honour and to preside over the deliberations of this Assembly. I have not the slightest doubt in my mind that you will perform the duties of your exalted office so admirably and that you will exercise your powers with such impartiality and fairness, and that you will acquit yourself so honourably that you will satisfy both officials and non-officials, the elected representatives of the people and the nominated representatives of the Assembly, and the members of every section and of every party. Mr. President, I have known you for the last four years; and what I have observed in you is that you possess those important members—an ear that sometimes fails to hear and an eye that cannot see what is better left unseen; and what has forcibly struck me is that as acting President you have done your best to get into any one debate as many speakers as possible, and that you have a knack of getting through

the business of the House with the utmost celerity and despatch. Sir, I am sure that you will fill this exalted office with the same ability and distinction that you have displayed in such ample measure as Deputy President, Acting President, and last, but not the least, as a member of the Indian Delegation at Ottawa. Sir, I pledge myself to you to maintain your authority, and to give you my full support, and to promise you my hearty co-operation. My remarks have been very brief, but I hope you will take it that the depth of the sentiments behind these remarks is not to be measured or gauged by the brevity. In conclusion I must fall back upon the simplest expressions and will say that I congratulate you most heartily on this unique honour, that I sincerely wish you a brilliant career, that from the bottom of my heart I wish you every success, that I sadly miss the President who has gone and that I gladly welcome the President who has come. (Applause.)

**Maulvi Sayyid Murtuza Saheb Bahadur** (South Madras: Muhammadan): Sir, although the Leader of my Party has congratulated you not only on his behalf, but also on behalf of our Party as a whole, still as one of the oldest Members of this Assembly and as a representative of the Muslim community of the Presidency you have come from, I wish to associate myself in congratulating you on your elevation to this high office. Sir, the very fact that you have been returned uncontested goes to prove that you command much popularity and confidence of the whole House. In short, I will simply give you the blessing contained in the Persian couplet of a very great sage:

*"In marâtib ki dâda-i-juzwêst,  
Kâr-i Kullî hunûz dar qadar ast."*

"The distinction you are now called upon to hold is only the forerunner of so many other distinctions which are in store for you." (Applause.) May God bless you with long life to enjoy all these honours.

**Rao Bahadur M. C. Rajah** (Nominated Non-Official): Sir, my revered leader, Raja Bahadur Krishnamachariar, has already congratulated you on behalf of the Party of which I am a member. I now rise, on behalf of the community I have the honour to represent in this House, to offer you our hearty congratulations on the high distinction conferred on you by this House. (Applause.) Sir, it gives me very great pleasure to see you installed in the Chair, as you are not only a Madrassi, but you also belong to the same political party in Madras of which I am a member. Your election is a very popular election, inasmuch as you have been supported by almost all the parties in this House. (Cries of "All".) The reason why I say "almost all" is that among the members that have nominated you I have not seen any from the Government Group. (Laughter.) I wish you all success and prosperity and, in doing so, I also hope and trust that you will be the President of the future Federal Assembly which will succeed this Assembly sooner or later. (Applause.)

**Mr. N. R. Gunjal** (Bombay Central Division: Non-Muhammadan Rural): \*Sir, you been elected unopposed as the President of this Assembly and I intend to congratulate you in my mother-tongue. After the reforms of 1919, the elected Presidents were of mature age and experience, but Sir, you are young in age and there is no doubt that a young Member of the Assembly like myself would be glad over the election of such a young

\*Translation of the original speech delivered in the vernacular.

[Mr. N. R. Gunjal.]

President. At the same time, there will be nothing wrong, I think, if I congratulate the *Ex-President*, Mr. V. J. Patel and the out-going President, Sir Ibrahim Rahimtoola. I, therefore, express my hearty congratulations to them also.

There is a great criticism in some of the papers that the elected President belongs to the Government side. Though there is such a rumour, he belongs to the Nationalist Party. Now, he cannot remain a member of any Party and cannot take part in any kind of communal discussions; for, the President of the Legislative Assembly is supposed to be a well-wisher of all. If the newspaper criticism is taken for granted, still the elected President will have to take the public opinion into confidence more than the Government nominees.

In the near future, new Reforms will take place and the White Paper will soon be published. I expect the elected President, with a judicial mind, will conduct the proceedings of this House when the discussion on the above subject takes place.

Now, the days have come for translating the words of the late Mr. Tilak into action and the responsibility to act according to his advice lies on the shoulders of the young generation and the guidance of wise men is necessary.

Young men in India like me should be proud in having a young President in you.

During your tenure, Sir, I hope the Hindi language will be made the medium of the Assembly as the English is today. If Hindi gets prominence in the Assembly, the Members like myself will be much grateful to you.

Before this, the Presidentship of this House was captured by the Members from the Bombay Presidency, but now the Presidentship has gone to the Madras Presidency unopposed.

By the grace of God, may his tenure of Presidentship be successful and beneficial to India.

I, again, Sir, on behalf of Maharashtra, congratulate you.

**Sardar Sant Singh** (West Punjab: Sikh): Sir, I heartily join my Honourable friends in this House in offering my most sincere congratulations to you on your elevation to this eminent position. I am personally gratified on this unique choice of the House, not only because an eminent politician amongst us has been honoured, but also because when I first entered this House I was fortunate enough to form your acquaintance at the very beginning. Throughout this period I have noticed your independence of spirit and your towering personality and your intellectual genius which has always struck a sort of awe in me. Sir, there is a further gratification in this choice of the House, because this time the choice has fallen to a Member who was an erstwhile Member of the principal Opposition in the House. This aspect of the election has its own importance. It will demonstrate to the world that if you were capable of offering a stout resistance to the Treasury Benches when you were occupying a seat on the Opposition side, you are able to rise to the occasion of giving impartial decisions when called upon to keep the scales even between conflicting interests in this House after you discarded the skin. My friends

have said almost all that I could possibly say; but I take this opportunity of offering you co-operation on behalf of myself and offering my congratulations to you on my own behalf as well as on behalf of the Sikh community which I have the honour to represent here and the numbers of which are so limited in this House. (Applause.)

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Gentlemen, I must express my grateful thanks to my colleagues for the high honour they have conferred upon me in electing me to the Chair and to the leaders of various sections of the House for the welcome they have accorded to me in my new position. As one who has sat in this House for well-nigh ten years I realise the magnitude of the honour. If I am fully conscious of the exalted position which the office of your President confers upon its holder, I am even more fully conscious of the tremendous responsibilities which that office carries with it. Fortunately for the holder of this office, the burden of his great responsibility is lightened by reason of the fact that he has a splendid guidance for his conduct not merely in the rules and traditions of this House, but in the practice and the written and unwritten law of the Mother of Parliaments. In the Anglo-Saxon world which has furnished to us the model of Parliamentary institutions, the office of the Speaker has become a synonym for dignity and impartiality. (Applause.) The undoubted authority of this great office is securely based upon the absolute and unvarying impartiality of the Speaker which is the main feature of his office and the law of its life. That impartiality which is the guarantee of the dignity which the office carries is always secured by the holder of the office severing himself from all party ties. In accordance with this well-established practice, I cease to belong to any political party from this day.

Though this House is still an infant when compared to some of the great parliaments of the world, we have already succeeded in building up healthy traditions round the Chair. The maintenance and continuance of those traditions are matters of vital importance to all sections of the House. Any violation of these traditions will not be an affront to the person who occupies the Chair for the time being, but an infringement of the privilege and dignity of the whole House. (Hear, hear.) For the source of the President's position is the authority of the House itself. It shall be my constant endeavour not merely to preserve that authority and dignity which belong to this House, but also to resist any encroachment on the privileges of the House as a whole and of its individual Members. (Applause.)

Sitting in this Chair and watching the proceedings of the House from day to day, I may sometimes cast a longing lingering look on the benches to my left and wish that I had stood on the floor of the House to take my part in its battles. Whenever such regret haunts my mind, I shall take consolation in the fact that this Chair furnishes opportunities of contributing equally valuable work in the building up of parliamentary institutions. (Hear, hear.) We are on the eve of great constitutional changes and we are looking forward to the establishment in the very near future of a system of responsible government. The practice and procedure of this House are as important parts of the constitutional structure as the powers that may be conferred on the elected representatives. One of the greatest Speakers of the House of Commons, Speaker Onslow, was the first holder of that Office to recognise the order of business of the House of

[Mr. President.]

Commons as a separate and important problem of constitutional law and politics. He expressed his ideas as follows. He said:

"It was a maxim he had often heard, when he was a young man, from old and experienced members, that nothing tended more to throw power into the hands of the administration and those who acted with the majority of the House of Commons than a neglect of or a departure from those rules—that the forms of proceeding that is instituted by our ancestors operated as a check and controlled the actions of the ministers and that they were in many instances a shelter and protection to the minority against the attempts of power."

These words express in significant language the importance of evolving correct rules and procedure in this House and the maintenance unimpaired of these rules. It shall be my constant endeavour to prevent any violation of the practice and procedure of this House and I shall appeal to the co-operation of all sections of the House in this task. I have no doubt that there is a wide recognition that the common interests of all sections of the House, however divided in party opinion, in maintaining the tradition and level of parliamentary life is an indispensable condition of the working of parliamentary institutions. (Loud Applause.)

#### ELECTION OF THE DEPUTY PRESIDENT.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): My election as President has caused a vacancy in the office of the Deputy President. In pursuance of Order 5 of the Standing Orders of the Legislative Assembly, I direct that an election to the office of Deputy President shall be held on Tuesday, the 21st March, 1933.

Each Member wishing to propose another Member as a candidate for election will, as required by Standing Order 5, ascertain that the candidate is willing to serve, if elected, and will hand to me or to the Secretary not later than 12 Noon on Saturday, the 18th March, a notice showing the name of the candidate signed by the proposing Member himself and by some other Member as seconder.

As soon as possible after the notices have been handed in, I propose to read out the names of the candidates, together with their proposers and seconders and if there is more than one candidate, to take the ballot on Tuesday, the 21st day of March, 1933.

The Secretary will issue a circular informing Honourable Members of the method by which the ballot shall be held.

#### THE INDIAN FINANCE BILL—contd.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The House will now resume consideration of the Indian Finance Bill.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): Sir, in connection with the Finance Bill, it is the custom to ventilate and discuss all our grievances, for which the Honourable the Finance Member is not actually responsible. This is an occasion when we are allowed to discuss all our grievances relating to political, financial, industrial and all

other matters. I do not think it will be proper for me to discuss at present all those political problems that await solution just at a time when the White Paper is going to be issued, but I think I may briefly refer to certain matters connected with the future constitution of this country. Sir, I shall first refer to the Premier's award, and if I refer to it, it is merely because I want to point out that the Poona Pact has hurled a bomb shell upon Bengal and Bengalis. Readers of newspapers are aware how the unanimous opinion of the province has declared itself against the Poona Pact in which no representative of the province was present.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Do you mean to say that no Bengali was asked to be present?

**Mr. Amar Nath Dutt**: Yes, I do say so. We have said that in our telegrams to the Prime Minister. We have reiterated it everywhere and I do again assert it here. I shall not take up the time of the House by discussing the Poona Pact, but I must register my emphatic protest against the doings of a particular section, whether they be the majority or the minority, their attempt to rule those from whom they differ. If the future constitution, which we are going to have, will contain safeguards, and I am told that it will contain many safeguards, I think the first safeguard that is necessary in the interests of the people, in the interests of the welfare of all and every one of us living in this country, should be the safeguarding of the interests of those who are less clamorous. Unfortunately in these days of kaleidoscopic changes we have been witnessing a change of political views, an admixture of political, social and religious matters in matters of legislation which, in the opinion of the thinking section of the community, is nothing but sailing with the tide and who feel that much less thought is bestowed upon vital questions which concern the well-being of the nation. As regards our objection to the Poona Pact, I think it is enough that I say that we do not accept it, and so far as the Premier's Award has changed the representation in Bengal in view of the Poona Pact, that is not acceptable to the people of Bengal, and, therefore, it ought to be rescinded.

Coming now to the subjects that are generally discussed at the time of the discussion of the Finance Bill, any one who has any knowledge of the economic condition of the poor people at the present moment will agree with me that the condition of the people has not become any better within the last year and a half when the additional taxes were imposed in spite of their distressed condition. That being so, I beg to submit with all humility—I am no expert in finance, I do not know how things could be done this way or that way, but I beg to submit that the first duty of the Finance Member should have been to give some relief to the tax-payers in the shape of a reduction of duties on such primary necessities of life as salt, kerosene and so on, also a reduction in postage rates, and last but not least, a reduction in the very heavy income-tax rates. Now that the Finance Bill is before us and we have tabled amendments, I think the proper time to deal with all these points and to press them is when these amendments come up before us. I do not mean to say that the Government should go bankrupt and its credit should be lowered in the eyes of the world, but at the same time I submit that we should find ways and means of reducing to the chagrin of some Members sitting opposite,—of reducing the high salaries which they draw. I say this poor country is unable to bear the burden of the high salaries which the officers of the



[Mr. Amar Nath Dutt.]

Government do get at the present time. I do say that the work of these officers is not commensurate with the salaries they get. I do not think that any other country has got such highly paid administrative officers,—and such highly paid salaries in one of the poorest countries of the world is a thing which should be avoided in the interests of the very existence of the people unless you view with unconcern their starvation and do not mind their being wiped out of existence. As I have already said, as each amendment comes before us, we will have to press our points of view in order to lighten the burden of taxation. But I once more protest, and register my emphatic protest, on behalf of myself and the people of Bengal, against the Poona Pact and the Premier's Award accepting the Poona Pact at least as far as it applies to Bengal. With these words, I submit that I cannot accept the Bill for consideration and, if it were possible for us to reject it, we would do so unless the Finance Bill is so framed as it ought to be.

**Pandit Satyendra Nath Sen** (Presidency Division: Non-Muhammadan Rural): Sir, the present Finance Bill is a disappointing Bill. When the emergency taxes were imposed the year before last, they were imposed for a period of eighteen months, but the same taxes have been repeated this year. Our hopes that they would be removed have not been fulfilled and it is for this reason that I characterise it as a disappointing Bill. True, no fresh taxes have been imposed this year of much importance, but I think no thanks are due to the Finance Member because, as a matter of fact, there was very little scope for further taxation. The high rates of income-tax and the high rates of postage should have been reduced, but they have not been reduced. People are groaning under those high rates and some relief ought to have been given to the poor tax-payer.

Sir, regarding the re-imposition of the stamp duty, I feel it necessary to make one observation. While speaking on an amendment for reducing the postal rates the year before last, I made a suggestion that the stamp-duty on cheques might be re-imposed as a last resort and the income from that might be utilised to fill up the gap in the income of the Postal Department. I will read out to you the exact words which I said on the last occasion:

"I would venture to make one more constructive suggestion. If revenue considerations are to be decisive in this matter, may I suggest that the Government should, as a last resort, revive the practice of stamping bank cheques, as was the case some years ago. That will affect not the poorer people, but only the rich men. I must not be misunderstood as inviting such a taxation. My point is that if you insist on having such taxation, I may be prepared to have that as a choice between two evils."

I am sorry to say that the suggestion has not been taken up as a whole, but by half. It is not always the case that something is better than nothing. In the present case his "something" has been a greater evil. I know the Government are handicapped in the matter of revenue. In spite of their earnest desire, they cannot give us any relief and that is solely due to the fact that they cannot see their way to reduce the army expenditure. If that expenditure could be reduced, I think that would serve as the panacea for all economic troubles. If that expenditure cannot be reduced from prudential considerations, I suggest that England must contribute to that expenditure to a considerable degree. Instead of that we have been saddled with a legacy of war debts at a high rate of interest. I think every effort should be made to reduce the rate of interest. Whatever may the financial position be, sound or unsound, the poor people have

nothing to do with these technicalities, namely, solvency or insolvency, deficit or surplus, repletion or depletion. The only thing that they want is food and clothing. You must provide for food and clothing for the poor people. In this connection I would like to dwell on some of our grievances which may be divided into three classes—(1) grievances that have not yet been redressed, (2) grievances for which the Government are responsible, and (3) the grievances which are due to the apathy of Government, that is, which are indirectly connived at by the Government.

Under the first head, I mention the numerous cases of abduction and rape in the country. During the last Simla Session, I moved a Resolution recommending a deterrent punishment in cases of abduction and rape. It was opposed by the Government on the ground that that was a barbarous punishment. I now see that the Government of Bombay are going to introduce the same punishment for communal riots. I am the last person to speak in support of riots, but I am constrained to say that there may be circumstances in which a man may be compelled to take part in riots—for example, for self defence; but I submit that there cannot be any redeeming feature in cases of abduction and rape.

The second grievance is in connection with the question of unemployment. That problem is becoming keener and keener, but the Government remain callous as before. I think new fields of employment should be explored which will be conducive to the economic uplift of the country and also will give some relief to the unemployed.

My third point is about the repression which is going on in the country. On account of the slackening of the movement there has been a less number of cases than in previous years, but repression is going on in full swing. I will only refer to a few facts. We have seen that it is not yet possible for an innocent man even to pass by safe and secure. It was only the other day that two innocent villagers were shot down by the police at Chittagong. We were told by the Home Member yesterday that that was an extraordinary case and he was really sorry for that, but I may point out there are cases of every day occurrence for which the Home Member is perhaps not sorry. We are crying, but who is going to listen to the cry? The Honourable Member is not present in his seat. However I shall give these facts, because it is my duty to do so. This is a statement by one of the accused in the Punjab Conspiracy case. He complained before the magistrate that:

"His confession had been forcibly and fraudulently manufactured. He enquired of the sub-inspector as to why he had been arrested. The sub-inspector, instead of replying to the question, began to beat him. When the accused said that he knew nothing about that, the sub-inspector again resumed beating. This continued for two or three hours. Four constables were deputed to watch him with instructions not to allow him to sleep. The accused was kept awake throughout the night and when he shut his eyes the constables beat him. After this in accordance with the instructions of the sub-inspector, Mulk Raj, head constable, bound the accused to a *charpoy* which was placed in such a position that the accused's head was towards the floor and legs towards the sky. The head constable then pricked his body with needles. When blood came in, his eyes and the position of the *charpoy* was reversed and as he regained his first condition, they again gave him a beating."

The second accused also made a similar statement:

When the accused:

"asked as to what statement they wished him to make, K. S. Said Ahmad Shah said they would show him what they wanted. Soon after some policemen arrived and slapped him on the face with such violence that he got stunned. Blankets were thrown upon him and he was given severe beating."

[Pandit Satyendra Nath Sen.]

These allegations were made in the hope that the accused would get justice, and from whom did he expect to have that? He made his complaint before a member of the executive, and another member of the same department under a different nomenclature was going to dispense justice in his case. Therefore, it is that it is extremely necessary that there should be a separation of the judicial from the executive functions. If that grievance is redressed, then half of our complaints will cease. Sir, we have been crying ourselves hoarse for that separation for the last one hundred years or even more. The principle and the utility of that separation was recognized so early as during the last decade of the 18th century—during the days of Lord Cornwallis and it was making a steady progress until it was shelved as the result of a reactionary minute by Sir James Fitz-Stephen in the year 1871, and it has been completely shelved in spite of repeated demands from the Congress year after year until the year 1917 when the Congress was captured by the extremists on account of the fact that the Indian people became extremists by reason of their repeated disappointment at the hands of the Government.

Sir, last but not the least, my grievance is that special facilities were accorded to Mr. Gandhi for carrying on an evil propaganda against the entire Hindu community. (Laughter.)

Sir, this was done evidently to enable him to discontinue the civil disobedience movement with his prestige intact. (Laughter.) We know, Sir, that the Government trade upon dissensions, and our politicians, I am sorry to say, have not been able to see through this game of the Government. Sir, this sort of religious interference will never be tolerated by the Hindu community. They have been perturbed over the sanction that has been accorded to the introduction of the Untouchability Bill and the Temple-Entry Bill. Regarding the mentality of the Hindu community, I may quote a few lines from a very early document. This is what was said by Mr. Harry Vane, formerly Governor of Bengal, who informed his views to a Committee of the House of Commons in 1781 in the following words:

“The Hindus are more attached to their customs and manners than any other people on the face of the earth and they would suffer death rather than any indignity to their caste.”

I hope the Government will take a note of this fact. Sir, another grievance is that the notorious Sarda Act has continued to remain on the Statute-book unrepealed. (Laughter.) Sir, unless and until these grievances are redressed, I do not see how we can see our way to support the motion for the consideration of the Finance Bill.

**Lala Rameshwar Prasad Bagla** (Cities of the United Provinces: Non-Muhammadan Urban): Sir, the Honourable the Finance Member, Sir George Schuster, will go down in history by his other name so often spoken of in commercial circles as “Surcharge” Schuster. Not only the commercial community, but the mass of income-tax payers expected that the surcharge on all taxes, particularly the grinding surcharge on income-tax should go with the introduction of the present Finance Bill. To the utter dismay of the groaning taxpayer, however, the surcharges remain. The process of diminishing returns is already evident. Customs receipts are almost steady at 50 crores of rupees, rather less by one crore from 1931-32. The income-tax receipts are equally deplorable. In spite of the

25 per cent. sur-tax and levy of income-tax on Rs. 1,000 and onwards, the receipts were only rupees 16 crores and 92 lakhs in 1932-33 which was less by one crore of rupees from the year 1931-32. The Honourable the Finance Member expects rupees 17 crores and 38 lakhs from income-tax, and if this figure is reached, the additional receipt of 46 lakhs would come from untapped low income-tax-payers. Already small shop keepers—*panwallas*, grocers and tea shopwallas—are being assessed with vengeance and I can picture untold hardships to these classes of bread-earners in the coming year. The Honourable the Finance Member would do well to abolish the lower income-tax and also the sur-taxes on income-tax. As a business man, I know how Japanese competition is killing the trade of piece-goods merchants, but yet they are assessed no less on their income. Sir, I think, the Finance Member would get a shock next year on his income-tax returns.

Sir, I strongly advocate a high tariff against dumping. Let the Government assess the value of Japanese imports at the rate of exchange of the yen before it went off the gold standard, i.e., at the rate of Rs. 136 to 100 yens, and levy 50 per cent. tariff on all Japanese goods. I entirely agree with my friend, Mr. B. Das, that Japanese dumping has become a menace to Indian industries and Indian trade and Japanese imports should be stopped by a high tariff wall.

Sir, the Honourable the Finance Member is most anxious that trade and commerce should make a recovery and that the balance of trade should be in India's favour. I see no signs of it. In spite of the Ottawa Agreement, India's exports abroad have not increased in tobacco, tea, wheat, cotton, jute or rice. There are factors, such as heavy shipping rates, and the long distances still operate against increase of export from India. This means that the condition of producers will not improve and I urge on the Honourable the Finance Member to devise ways and means to increase the earning power of the masses. There is very little remission in land taxes. The producer has sold all his gold, silver and brass and today he lives in abject poverty. His produce does not suffice to meet the taxes he has to pay. While the Government may be happy over their stabilised Budget, high taxation is ruining the economic fabric of the masses. I cannot think of any recovery in trade or commerce, nor any relief would come to the primary producer until the high taxation is lowered. Therefore Government must reduce at once the heavy military burden on India. The cost of defence should be limited to 30 or 35 crores, and then alone can the Central Government or Provincial Governments bring relief to the tax-payers.

Sir, the Railways are proving white elephants, and future Finance Members will find it more difficult to manage their ways and means budget. The value of Government securities may be high today, but, within a year or two, I think, the Government will face a fall in prices and there will be no gold left to be exported to keep up the credit of the Government of India in the market.

Sir, one word more and I have done. The financial safeguards as tentatives discussed at the Third Round Table Conference do not seem to work in India's interest. All reservations are to satisfy the creditors abroad and no Finance Minister under the new Constitution can keep up the high level of taxation or even the present fictitious level of credit of the Government of India which is merely an offset against the export of



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gold. I, therefore, urge on the House to see that the financial safeguards should be framed in such a way that they work in the interests of India and that they allow Finance Members and Commerce Members in the new Constitution to develop resources of India in India's interest.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Sir, my 1 P.M. excuse for speaking on the Finance Bill today is that our expectations have been frustrated. Sir, we had a clear promise, which cannot be twisted in any manner, that the new taxes, namely, the lower income-tax and the surcharge, will be removed after 18 months. Sir, I have very great respect for the Finance Member, but the other day I was very much disappointed when he wanted to set up some meaning on his promise by interpreting it in his own way. I cannot reiterate his exact words, but I understood him to say that his was more or less a promise based on a forecast and, therefore, on considering the state of affairs at present he was not in a position to reduce the income-tax and give help to the poor people. I was still more disappointed when he further said that in future he would be careful not to give promises, but he would give only hopes. Sir, when we put questions in this House in order to get information on certain points, we are given evasive replies and if we put supplementary questions to bring out what we want, we are often disappointed. Therefore, it is only at the time of Bills and Resolutions, etc., that Honourable Members make somewhat clear promises or give some assurances. I submit, therefore, that, with regard to these promises and assurances, Honourable Members should in honour bound stand by them.

I feel that the lower income-tax is a great hardship upon the people. Those who are in close contact with their lives know how it has been prejudicially affecting them. As my Honourable friend, who preceded me, said, even small hawkers and other people are being charged income-tax when they cannot possibly afford to pay. Again, I think the cost of recovering it is such that it should be prohibitive for the purpose of realising it. Sir, there were many ways of bringing about the balancing of the Budget, but if it was not possible to remove both this lower income-tax and the surcharge, at least the lower income-tax should have been remitted. With regard to the surcharge also, I submit that in these days, owing to depression and other circumstances, the people are very much hard up. Their income-tax, taken together with super-tax, is already too much, and to charge 25 per cent. over and above is really a calamity. I realise that Government servants also pay that tax and I think for that reason they also must muster strong and join hands with us in asking Government to abandon these taxes.

Then, Sir, as to stamps, there also the poor people are suffering very much. The income from postal stamps may not have very much decreased, but after all people are at present resorting to other methods which are not proper, that is, sending their letters through messengers or persons who have been moving about from one place to another. With regard to that duty also, I feel that it is a hardship upon the people of which they should be relieved.

Then, Sir, I endorse what Dr. Ziauddin Ahmad said. There are two things which Government should have in their view and, unless and until those two things are met in a proper manner, I think the Budget will

remain always a deficit and unbalanced one. He said that what Government should do is to decrease the high annual interest that they pay on loans. These loans are of such an enormous extent that it is now high time that some means should be found to reduce them; and, for that purpose, if the interest is reduced, then also there will be some relief thereof. The second thing is with regard to the army expenditure. I need not say much about that, because in season and out of season we have proved the necessity of this huge item of the army expenditure having been reduced.

Then, Sir, there is the question of Indianisation of the Army. The other day one thing came to my notice with regard to it which I did not know before. I was attending a Select Committee on the Auxiliary Force Amending Bill. There was a question of reduction of expenditure on the auxiliary forces and, instead of three classes that they had, namely, the active class, the first reserve class and the second, they were reducing the two reserve classes to one. Naturally I inquired if this force had Indians in it, but I was surprised to learn that there was not a single one. And yet it is claimed that the Government are ready to Indianize the Army. Sir, I submit that there are several ways of reducing the army expenditure which would help the country in its nation-building departments. Sir, our industries, which are rising to some extent, require help and propping up, but, if the Budget is going to be a deficit one every year or only a small balance is left each year, we cannot be very safe in expecting that the industries will develop.

Then, Sir, coming to the unemployment question, we are faced with the same difficulty. People have got educated and they have no other outlet than Government service. If there were many other avenues, such as industries, for these educated people, they would not feel shy of taking to them, but there is no way out even in that direction. I submit, it is now high time that some means should be found out in order to solve this unemployment question.

Sir, I admit, the Honourable the Finance Member himself cannot possibly be blamed for bringing a Budget as he did, because he is under such a Constitution where he has no power to ask for a reduction of the emoluments of the higher services. The expenses of the India Office are not in his hands or in the hands of the Government here. The India Office and the High Commissioner's Office which are in England are paid from the Indian Exchequer through the Secretary of State. If such large amounts are paid as required by the present Constitution and then the Honourable the Finance Member is asked to balance the Budget, I think it is an impossible task for him to accomplish. Therefore, Sir, reduction or retrenchment should come from the top, and if the expenses of the India Office and the High Commissioner's Office and downwards are curtailed, or the power is given in the coming Constitution to this House to deal with them, then and then only we can expect to help India in her industries and other nation-building activities. If the Constitution that is in view is also going to be a Constitution under which this House shall have no power whatsoever to reduce the pay of the Imperial Service or to frame rules with regard to the emoluments and conduct of higher officials at the India Office or in the High Commissioner's Office, and that power is again left in the hands of the Secretary of State, then, Sir, I say, "Woe be to that Constitution". That Constitution could not be worked here. I, therefore, need not take any more time of the House over this Finance Bill, but, at the same

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time, I strongly urge that unless means are found to reduce the expenses of the higher officers, to amalgamate certain departments, and to curtail the army expenses and the interest on debts, there will be no bright day for India. Sir, with these words, I conclude my remarks.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (the Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhamadnan Rural): Mr. President, this is the occasion on which the Opposition is given the latitude to speak on all the grievances before we are called upon to vote for the supplies. So, before I come to bigger questions, I would like to discuss some minor matters about the privileges of Members of this House. I would like first of all to speak about the "House Committee" that was appointed by your predecessor in office and of which you were so long the Chairman. From time to time we made various recommendations to the Department of Industries and Labour to give some more comforts to the Members as regards their residential quarters. We regret that apart from the very insignificant suggestions that have been accepted, the Government have failed to do anything substantial on the recommendations of the House Committee. Every Member of this House knows how difficult it is for Members to get residential quarters particularly in Simla. As a member of the Public Accounts Committee, I think we had occasion, about four or five years before, to see that a large amount of money was spent on behalf of the Legislative Assembly Department for the purchase of the hotel that is known as the Longwood Hotel. So far as I know, that expenditure was incurred on account of the Legislative Assembly Department, but a major portion or, say, 80 or 90 per cent. of the Hotel is now occupied and used for other purposes. Even in a place like Delhi, where the difficulty of accommodation is not so great as in Simla, in spite of our efforts in the House Committee we have failed to secure proper response from the Industries Department to remedy the inconvenience, in the Members' quarters. Members are given preference, at the time of allotment of quarters, who combine amongst themselves, two or three, and live in a single house. It is also known that, in the Windsor Place quarters, there is provision for only one latrine. We urged that there should be arrangement for at least two latrines in every quarter, and there should also be some more windows in order to make some of the rooms habitable, and, with a very little expense, they can make some of these rooms habitable. But most of our suggestions have been turned down. I hope that when you will appoint the next House Committee, you will not only see that they make recommendations, but that there is some sanction behind those recommendations. If it is merely to send forward suggestions and do mere begging, without having any power behind, it will be useless to form any House Committee at all. I do not like to go into details now; and now that the question has been raised in this House I hope it will draw the attention of the Industries Department and that they will show more regard for the comforts of the Members of this House, particularly when, with the new Federal Assembly, there will be more

quarters necessary as the number of Members will be doubled or tripled; and I think attempts should be made even from now to provide more quarters for Members.

From that grievance I would like to come to the other grievance about the Committees in general of this House. Sir, we have several Advisory Committees that are elected by this House and partly nominated, during the month of March. So far as I remember, for every Department there is an Advisory Committee. It is known to the Members of this Assembly that these Committees are never called; though they are advisory, even their advice is never sought, and I can name several Advisory Committees in different Departments that have not been called for the last two or three years. If really Government think that they are useless, what is the necessity of having an Advisory Committee at all; and I think the time has now come at last to decide once for all whether there should be any of these Advisory Committees if they are not to be called at all even once during the course of a whole year.

I have also a grievance about the calling of some of these Committees like the Standing Finance Committee or the Public Accounts Committee or the Railway Standing Finance Committee. Sometimes the hour is fixed at a time which is not at all agreeable to the modes of life and habits of Indians. Generally the meeting is called at 10 A.M. in spite of protests that have been made, not once or twice. I feel called upon to raise this question publicly before this House. Meetings are called at 10 A.M. It is well known to you, Sir, that Indians generally take their food between 10 and 11 A.M. and the House starts at 11 A.M. On a holiday, it is possible to postpone our food for an hour till, say, 11 or 12; but what happens is that even when the House will be sitting from 11, no consideration is paid to the earnest requests of the Members. I am not drawing on my imagination, but I am speaking of a particular case that happened only yesterday. A very important meeting of the Public Accounts Committee, which is a Statutory Committee and which it does not lie in the sweet will of anybody to say whether it should exist or not—this committee is not even a creation of the House by its Resolutions—even in that Committee, in spite of my protests, not for the first time, the time is fixed at 10 A.M. or 6 P.M. Government should know that private Members may not have a Secretariat behind them to help them but they require time and opportunities to consult documents and other references. The non-official Members certainly require more time to prepare themselves to do proper justice to their membership of Committees. I deliberately raise this question, because if Government want the Members to be useful, then the time should not be fixed at so early as 10 A.M., particularly on a day when the House is sitting, because it is very inconvenient to Members to attend both the meetings of the Committee in the mornings and also of the Assembly during the day. While I am on this subject, my friend reminds me that the most important Department of the Government of India, the Home Department, have not even an Advisory Committee, but I say again that if these Advisory Committees are not to be called at all, then it is no use in having a Committee for the Home Department or, for that matter, for any Department.

Sir, before I deal with other questions, I would just like to say a word about the speech which my friend, Mr. B. Das, made. In the course of his speech, my friend said that the zamindars, in realising revenue from their tenants, use *lathis* more mercilessly than even the police. Sir, I

[Mr. S. C. Mitra.]

have no experience about the Oriya zamindars and their manner of realising revenue, but so far as the Bengal province is concerned, all I can say that the zamindars today are in a worse position than even the tenants themselves. They have to pay the Government revenue from their own pockets, and, with the rise of democracy which we all hail with satisfaction, the tenants now know their rights, and there cannot be any question of exactions or tyranny or any *lathi* blows which may be milder or stronger than the blows of the police . . . . .

**Mr. B. Das:** Bengal has become heaven to the ryots, is it not?

**Mr. S. C. Mitra:** I do not know whether it has become a heaven for the ryots, but my friend can speak with authority about the big zamindars like the Rajas of Kanika and others who are his friends, but my experience is different. If he has witnessed similar things in those places, certainly my friend can speak for them, but speaking as a Member from Bengal, which is a permanently settled area,—and some of the biggest zamindars hail from my province and I can speak about them,—I can say that there is no complaint either from the tenants or from the middle class people about tyranny, not to speak of *lathi* charges . . . . .

**Mr. B. Das:** There was a complaint from U. P. ryots in a pamphlet which Pandit Jawaharlal Nehru printed.

**Mr. S. C. Mitra:** That is for the U. P. Perhaps some Member from the U. P. will reply to it.

Now, I should like to say a few words about the separation of judicial and executive functions. My friend, Pandit Sen, has dealt with the question at some length this morning, and I did not want to say much on this, but I found that the Honourable the Home Member was so very ignorant of this question that I feel it necessary to tell him what attitude was taken up by the Government of India in the past on this matter. I am now reading a passage from a book on Separation of Executive and Judicial Functions by Mr. Gilchrist, and at page 122 he says this. There was a memorial from Lord Hobhouse and others, and referring to that memorial, Mr. Gilchrist says this:

“The memorial did not have immediate effect”,

—that is about the separation of judicial and executive functions—

“But it had real effect some years later, and the Government of India definitely declared its intention to introduce separation in selected districts in Bengal. The mouthpiece of the Government of India was the Home Member, Sir Harvey Adamson, later Lieut. Governor of Burma. Sir Harvey Adamson's scheme was propounded in the Imperial Legislative Council in March, 1906. He informed the Council that the Government of India had decided to advance ‘cautiously and tentatively’ towards the separation in those parts of India where the conditions were considered to be appropriate. The experiment, he said, would be costly, but the Government of India thought it ‘worth while’. The experiment was to be started in the Bengals (Eastern Bengal was then a separate province).”

The Government of India accepted the scheme on principle that there should be separation, but the question was one of costs. I know there was a Committee presided over by Justice Greaves. I tried to get a copy of

the Report, but unfortunately neither in our Library nor in the Library of the Secretariat could I get a copy of it. As regards Hobhouse's memorial, this is what is stated:

“The Hobhouse memorial was a weighty document, not so much because of its arguments and presentation of the case, but because of the names appended to it. Its first signatory was Lord Hobhouse, who had been Legal Member of the Governor General's Council from 1872-77. Following his name were those of Sir Richard Garth and Sir Richard Couch, both of whom had been Chief Justice of Bengal. Sir John Budd Phear had been a Judge of the High Court of Calcutta, and, later, Chief Justice of Ceylon. Sir William Markby, Sir Charles Sargeant and Sir John Scott had been Judges of the High Court in Calcutta. Sir William Markby, later, was Reader in Indian Law at Oxford and is in the first rank of modern jurist. Sir Roland Wilson was a distinguished lawyer. Sir William Wedderburn was a successful Bombay Civilian who afterwards became President of the Indian National Congress. Mr. Reynolds was in his time Secretary to the Government of Bengal.”

I read all these names to show that the question of separation of judicial and executive functions was started not by the so-called agitators of the Congress, but by responsible officers of the Government who held the highest posts in India as Judges and administrators. They have raised this question now for far more than a century, and it was never doubted that on principle this separation should be effected without any delay. All that we knew was about the difficulty of cost, whether the Indian treasury would be able to meet the enormous extra cost that would be involved. But the ignorance of the present Home Member is displayed by the fact that he does not know what was the attitude of the Government of India, and so I want to bring to his notice the fact that the question is not so undecided as he thinks it is. As early as 1837 there was a Committee appointed to inquire into the police system in India, and so far as I could get hold of any references I find that this question of separation of the executive from judicial functions was started then, if not earlier still. It is said there:

“Many complaints have reached the Government from landowners and indigo planters regarding the unsatisfactory condition of the police system of Bengal. In 1838, this Committee, the outstanding member of which was Mr. F. J. Halliday, first Lieut. Governor of Bengal, submitted a report. The members of the Committee did not agree on all points. The majority recommended that the offices of magistrate and collector should be split up.”

Later on, it is said:

“Sir Frederick Halliday did not agree with the majority. In a minute of dissent he strongly urged the separation of police and magisterial functions on the ground of the recognised principle of jurisprudence that the separation of the judicial from the executive was a necessary element in good government. He declared that to combine the duties of a judge and a sheriff or of a justice of the peace and of a constable in the same individual was both absurd and mischievous. No magistrate should have a previous knowledge of the case on which he is to pronounce a verdict as a judge. The duty of preventing and detecting crime therefore, he said, should be thrown upon the police. There should be a separate organisation to catch thieves and try thieves. Sir Frederick supported his theory by a comparison of English conditions, in which connection he wrote. . . .”

It is not necessary for me now to argue this case at length. It is enough to say that the public in India for a long time and the British officials of the past generations were all agreed that it is anomalous, that it is absurd that the same man should be responsible for putting up a man for trial and for sitting in judgment as well. I submit that the question of cost should not stand in the way particularly now when the political situation makes it clear that the magistracy sometimes take

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vindictive views about the nature of particular crimes. An attempt should be made at least in provinces like Madras, where there is a surplus Budget, to separate judicial from executive functions.

My Honourable friend, Mr. Amar Nath Dutt, spoke of the "Poona Pact". I would not have ordinarily discussed this question, but it having been raised I should like to give the non-official view on this question. The Pact is one which is not supported not only by the majority, but by any party or community in Bengal. Our grievance is about the representation of the Depressed Classes. Even the Prime Minister in his Award said that the question of Depressed Classes in Bengal was different from that in any other province. As a matter of fact, on enquiry it was found that there were no disabilities for any classes, who were considered as depressed, as regards their representation either in the Legislature or in the public services in Bengal. According to the Prime Minister's original Award, a scheme was to be devised by which at least ten depressed classes representatives would secure seats in the Legislature, and not that a number of seats should be set apart for the Depressed Classes as such and thus really divide the Depressed Classes and other classes of the Hindus. But in the "Poona Pact", without consulting Bengal opinion in any way and, I know for certain, that among those who met Mahatma Gandhi at Poona, there was not a single Bengali representative—they, in their own way, without consulting Bengal opinion or the Depressed Classes opinion, came to certain decisions. Sir, you know the conditions when Mahatma Gandhi was on hunger strike. Any question that might have been raised then would have endangered his life and it was more from considerations of sentiment for the life of that great man than from any political considerations that the Bengalis did not raise any objection to the Pact. But, Sir, I can assure you that if there is any unanimity on any subject amongst the Hindus in Bengal, whether they belong to the Congress or any other political organisation, it can be said that on this subject they are all unanimous. They would rather have the Prime Minister's Award than the "Poona Pact" so far as Bengal is concerned.

I shall now say a few words about the army expenditure, because that is the only Budget from which we can expect to get something substantial. Though the Army Budget is apparently for 47 crores, it is well known that there are many other items of expenditure which should properly be debited to the Army Budget. The expenditure on the strategic lines comes to Rs. two crores and two lakhs and it is a constant figure. I do not know why this amount is set apart every year from the Military Budget. Then the expenditure on the watch and ward in the Frontier is certainly a military expenditure and not a police expenditure. That comes to about Rs. 2½ crores. It is also well known that the concessions that the military people get, both in the shape of freights and rates in the Indian Railways, come to a few crores. These should all be added if we are to truly gauge the condition of the Military Budget. I find referring to the report of the General Purposes Sub-Committee that some items of expenditure which are known as political should also form part of the Military Budget. I read from page 12 of that report:

"We draw attention to several cases in which expenditure which in essence is military is being shown under head 'Political'. We commented on similar cases in connection with certain classes of 'civil' expenditure, e.g., the 'Survey of India'...."

Here it is admitted that a large number of Royal Engineers are provided in the Survey of India Department more than are necessary for

the purposes of the department itself. It is merely to maintain these Royal Engineers in service that they are employed in the Survey of India Department:

"... Survey of India, Agricultural, Medical, Ecclesiastical (which comes to about 30 lakhs of rupees and which is maintained mostly for the soldiers), etc. In certain cases such expenditure has always been classified as political; in some cases it used to be provided for in the army budget but was removed from it when in connection with the retrenchment campaign of 1922-23 an upper limit was put on that budget. As instances we may quote the expenditure on Frontier Watch and Ward (in all 2,52-35 lakhs), charges for the organisation of Indian States Forces (6-44 lakhs), and the cost of semi-military formations like the Mewar and the Malwa Bhil Corps; these have always been shown as 'political'. On the other hand, the cost of the Envoy's escorts in Nepal, cost of stores for Gilgit Scouts, cost of telephone lines in the North-West Frontier Province and certain charges in connection with the Nayar Brigade used to be borne on the Army estimates but are now shown as 'political'. It can also be argued with a fair show of reason that some of the expenditure on the political agencies in the tribal areas in the North-West Frontier Province and Baluchistan and Burma and Assam is essentially military. The employment of officers of the I. M. S. and the I. M. D. in political agencies is often, in essence, a mode of providing army surgeons with some useful employment in peace time. We propose that in the interests of a true picture of the real aggregate cost of each service, the expenditure should be more precisely classified."

From this it is clear that the apparent Military Budget of 47 crores is not correct and all this expenditure that is incurred on other departments should be strongly accounted for in the military and the general argument that it is merely a transference of account will not hold good when there is a question of having a block Budget for the army. So I suggest that proper scrutiny should be made of the expenditure in other Departments, and all the expenditure that may be attributed to the Military Budget should be properly accounted for to give us a full picture of the military expenditure. In this connection I like to refer to another paragraph of the Committee's report where it is shown that Imperial burdens have been unnecessarily put on the central tax-payers:

"We may now draw attention to certain burdens which British India has to bear, in our opinion unfairly. We have recommended that the entire cost of diplomatic and consular representation in Persia and the Persian Gulf Littoral and Turkestan and on the agencies at Gyantse, Yatung and Gantok should be entirely borne by the British Government. We claim that it has not been shown to our satisfaction that they are maintained in the trade interests of India. We are satisfied that their history, constitution and the other important facts, which we have mentioned in our Report, do not prove the case of the department in this connection. So far as we are aware, no dominion or colony bears a share of such expenditure, even when it is almost directly interested. In this connection we may refer to the recommendation made in an analogous case by the Economy Committee appointed in 1931 by the Secretary of State to the effect that efforts should be made to secure discontinuance of India's annual contribution (£12,000) towards diplomatic and consular establishments in China."

I do not like to develop this point very far, because my Leader, Sir Abdur Rahim, in his last speech fully discussed this matter and the reply from the Government was that they were going into these matters thoroughly. The mere reading will show to anybody that, when they are for Imperial purposes, why the Indian Government should bear this expenditure, and the earlier they settle these questions with the Government in England, the better for the Indian Exchequer.

I like to say a few words about the general conditions of the tax-payers in India and, in this connection, I like to discuss the question about unemployment which, when it is raised in this House, is not properly replied to, because the Government hold that this is a matter entirely for the Local Governments. I entirely disagree with this point of view. The prosperity of a nation really depends on how the people of the country

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get sufficient work for themselves. It is known that India is 70 to 80 per cent agricultural. I know from my experience in Bengal that the agriculturists have really work for four or five months in the year and, in the rest of the seven or eight months, they have absolutely no work. That is the reason why the people in this country are proverbially poor. Any national Government would have tried from the very beginning to find proper occupation for its citizens. It may be said that it is not in the interest of an alien Government to look to the national interest, but even for an alien Government, who are here to milk the cow, they should realise that, if the cow is not alive, there is no possibility of getting the milk. For all these years it was possible to rule this country in any way that the alien bureaucracy liked. I have said on more than one occasion that the real reason for discontent in this country is not only political, but mostly it is economic and the solution of that economic question lies in providing work for the vast millions of the unemployed in India. This question of unemployment must be tackled and the only way is that India cannot long remain, more or less, a purely agricultural country. Government must see that the industries should be started in the different provinces to provide occupation to the unemployed—not only the unemployed among the educated classes, but even among the masses. The greatest credit that Mahatma Gandhi had in starting the spinners' associations was that he alone, of all the Indians, made an attempt to solve this unemployment question, though by calculation it was shown that a man can earn in a day only two or three annas by working at the spinning wheel, but the logic of the whole argument was that, even by providing some earning for the agriculturists in the villages, there was some occupation to these millions of people throughout the length and breadth of India. So, not only from the political standpoint, but also from the economic standpoint and, even in the interest of the British Government, they must seriously tackle this question of unemployment and it is no use leaving the issue to the Provincial Governments to settle it for themselves. The Government of India, I think, have not even statistics of the number unemployed in this country. The question of unemployment not only among the industrial labourers, but also the agriculturists should be taken note of and I would ask the Government, if they care at all for good Government, that they shall have to solve this question and the Department of Industries and Labour should be primarily responsible to initiate some scheme by which at least some beginning may be made, not only to collect statistics of this unemployment, but also to attempt some solution of the problem as well.

Now, I should like to say a few words about the political situation as a whole. The latest development in the political situation was a ban on the holding of the Indian National Congress. By repeated questions in this House, we know that Government have not declared the Congress as an unlawful association, because they know that that is the only strong and organised political association in India. Government cannot ignore the Congress. But if that be so, I do not see any reason why they should not try to settle their differences with the Congress. I do not say the Congress is very much anxious for a settlement. I know that a proper settlement is in their heart of hearts, but whenever a statement like this is made, the Congress seems to be very touchy and some people come out and repudiate it. That, however, is no reason—whether the Congress is anxious or not,—why the British Government in India should not make

a serious effort to settle differences with the largest political association in India. Sir, I am a Congressman and I still continue to be a Congressman. (Hear, hear.) (Mr. B. Das: "So am I.") I have told this House on more than one occasion that civil disobedience or non-co-operation is not a creed of the Congress. The Congress has two distinct things: one is the creed. That must be subscribed to by everybody. That is a mandatory condition with the Congress people, but as regards the resolutions, they are always recommendatory. Personally I have not carried out the Congress mandate about the boycott of Legislatures, but yet I am a member of the Congress. That shows that in the Congress the resolutions are not binding on all the members of the Congress and the only way for the Congress to express its opinion is in an open session of the Congress. Sir, we urge the Government to give a full chance to the Congress to hold its annual sitting and see what may be the attitude of the Indian National Congress. It has been said by the officiating Congress President publicly that it is the Working Committee that can speak for the Congress, but I do not agree with him there. The Working Committee may say something, but it is the Congress in its open session that can really decide the Congress programme and the Congress attitude. It is well-known that many a time the settled programme has been altered and amended by the Congress, and, even with regard to the question of the boycott of the Legislatures, it is well-known that the previous decision was revised by the Congress itself. I personally believe that though some of the exponents may even urge that the civil disobedience movement should be continued, there is a very great chance, at an open session of the Congress, that the programme of civil disobedience may be revised; and if the Government really desire peace in the country and not merely try to kill all political aspirations in this country, they would be well-advised to permit the Congress to hold its session and then to come to a considered judgment on the basis of the programme settled in an open session.

I shall say a few words now about the political prisoners as well. Sir, some of these political prisoners have now been in jail for more than four or five years. Yesterday when I raised that question, the Honourable the Home Member said that that was not so, that it was not for such a long period. That is true about the few State Prisoners confined under Regulation III, but, in Bengal, under the Criminal Amendment Act, I know, there are political prisoners who are in jail now continuously for four or five years. Sir, the Government must pursue some definite plan. Do they really believe that it is right, or is it their policy to continue to keep these political prisoners confined in jail all their lives? If that is not so, then they should certainly decide about what should be their proper attitude towards these political prisoners. These prisoners will be set at liberty some day and there should be an attempt to reconcile all the political prisoners, so far as that may be practicable, to help in working the new constitution. It is known to this House that the political prisoners, now confined in jail under Regulation III of 1818 or under the Bengal Criminal Law Amendment Act, the life of which has now been enlarged by another Law Amendment Act, the life of which has now been enlarged by another five years, were arrested and put under restraint in jail mostly without any trial. Now, referring to the sections of the Indian Penal Code we know, however, that there are very few offences which are punishable with imprisonment for more than four or five years. How then can Government reconcile their position *vis-a-vis* the political prisoners with the situation prescribed in the Penal Code, considering that these political prisoners have been incarcerated in jail, without there being any semblance



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of previous trial and were thus deprived of any chance to disprove the charges alleged against them, for a period of more than four or five years? So, on the eve of the inauguration of the new constitution, as is the custom even of the British Government here in India, I hope an attempt will be made to consider anew the cases of all the political prisoners confined in jails. Now, as regards their treatment in jail, I described the other day how bad that was; not to speak of the ordinary political prisoners, the treatment meted out towards their great leaders is far from what is to be expected. Only the other day we heard about the treatment accorded to Mr. Subhas Chandra Bose, who is now in Vienna for treatment. I know there were orders issued by the Home Department of the Government of India, and, being a State prisoner under Regulation III, he was of course directly under the Government of India. Yet, while he was boarding his ship in Bombay, none of his relations were given any chance to have an interview with him except, if they so wanted it, in the presence of police officials. I know he was allowed to interview his relations—brothers and sisters—at Jubbulpore without any interference by the police and a wire was sent from the Home Department of the Government of India that he should get the same privileges in Bombay. But the local police there did not permit his relations to see him except under those very insulting conditions, and thus they refused to avail themselves of this permission to interview him in the presence of two or three police officials. Sir, it is strange that whenever we want even the most legitimate right of interviewing political prisoners in jail on the part of their relations or friends, under some subterfuge or other the Government manage to make it impossible for people to meet these political prisoners. I have already narrated in this House the story of how I failed to secure permission from the Government to see my nephew in the Deoli Detention Camp. Sir, I contend that this is not a mere favour that, we ask, should be shown to us. It is a right of every individual, who is a near relation of these political detenus, to meet his relations in detention camps, of course under condition of the police being present or under other restrictions that Government may care to impose. But now it is found that some excuse is always given. If we apply to the Government of Bengal, they say that he is a prisoner of the Government of India; and if anybody approaches the Government of India, he is told that no orders can be passed except under instructions from the Local Government. By all these means even ordinary interviews are denied to the relations of these political prisoners. I am not drawing on my imagination; this can be easily found out by Government if they inquire how many persons in the detention camp at Deoli had an opportunity to meet their relations. The other day the Honourable the Home Member agreed that our friend, Diwan Bahadur Sardar, will be appointed a jail visitor, but up till now he has not been so appointed. And as regards jail visitors, they always get such men who will be of no assistance in communicating the grievances of these prisoners or detenus even to the higher authorities. Some of these non-officials are chosen from such members of society who are expected not to report fairly even to Government officials.

Sir, before I conclude, I shall say only a few words about the export of gold from India. Whatever may be the views of the Honourable the Finance Member as to whether gold can be eaten or not, I think I shall be voicing the opinion of the people of India when I say that they do not desire that all their gold should leave the Indian shores. We have found that countries in the west like America, whose people like ourselves are not

gold eaters, are putting an embargo, directly or indirectly, on the export of gold. Whatever may be said about exchanging one form of investment for another, I think we have waited long, and hundreds of crores worth of gold has already gone out of India. The Finance Member should still consider the question of putting an embargo on the export of gold from India. It has been said by several speakers on this side that this gold is really distress gold. The Honourable the Finance Member will at once quote figures to prove that during the last 10 or 15 years so much of gold had come to India, and even one-fifth of it has not gone out. But can he tell us that the gold which is still in India is with the British Indian people? Can he say for certain that the great part of it is not with the big Native State rulers? Even if there is some surplus gold still left, can it not be truly said that the poor people had to exchange all their little capital that was invested in gold for the bare necessities of life? The condition of the poor peasants is well known to the Finance Member. Their produce, rice or wheat, is fetching less than 20 or 25 per cent. of its former price and yet they cannot go on without the clothes and other necessities which they must buy in the market. Where can they get this money from? They have certainly to sell out a little of the precious metal that they had; and if this unfavourable balance of trade continues, the Finance Member of all people can certainly feel that in the course of another two or three years the condition of this country will be very much deplorable. So whatever may have happened in the last 12 months or more, Government should still consider the question of putting some embargo on the export of gold.

Sir, with regard to questions about postal rates and income-tax, we shall have occasion to discuss them when individual items come up for voting. So, with these observations, I will close my remarks.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand** (Nominated Non-Official): Sir, I do not know whether I should congratulate the Finance Member or sympathise with him. He deserves our congratulations, because, out of the huge budget for expenditure that he laid before this House, only one rupee which is equal to sixteen annas has been cut. This House has shown great confidence in him and has granted every pie that was asked from it. Besides, every Party and nearly every Member of each Party, who spoke on the general discussion, paid glorious tributes to the Honourable the Finance Member for his masterly handling of the situation at a most critical and difficult juncture in the financial history of India. To add to this, he has been successful in raising the credit of India in the world's market at a time when the richest countries in the world are feeling the strain, and that is another feather to his cap.

He deserves our sympathies, because in spite of the skill, tact and statesmanship displayed by him, some of the Honourable Members are still opposed to this motion. Mr. Amar Nath Dutt,—I am sorry he is not here,—who is a prominent Member of this House, said this morning that he was opposed to this Bill and if possible, he would see that it is thrown out. Similarly, Mr. Lalchand Navalrai and Mr. Sen felt disappointed at this Bill. May I venture to ask Mr. Amar Nath Dutt, why he did not show the same attitude while the grants were before this House? Is it not a fact that the only cut that was chosen by his Party as the party cut was withdrawn, because the explanation given by the Honourable the Finance Member was taken as satisfactory?

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhamadan): Because of the presence of Members like yourself.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** Members like myself, I may tell my Honourable critic, will always be found here and everywhere else. Is it not a fact that at that time his conduct was different? It may be that Members were against him, as has been remarked by Mr. Gaya Prasad Singh. But how many of those cuts did he or his Party press to a division? They did not show even their disapproval at that time. The only cut which they pressed to a division was in respect, not of extravagance on the part of Government . . . . .

**Mr. Amar Nath Dutt:** Sir, on a point of explanation. I withdrew the cut, because I found that the Government have accepted all the principles underlying my cut. I thought that the Honourable the Finance Member has done all that he could under the circumstances and that it would be unjust to the Honourable the Finance Member to press the matter to a division, who has been helping us all along.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** When choice was given by the President to the Parties to choose their cuts, it was expected that they would choose cuts where they could attack Government most. It seems that the weakest position of Government was chosen by the Nationalist Party and even there the principle was found correct. So, Sir, it does not lie in the mouth of my Honourable friend when he says that when the Finance Bill comes before him he would oppose it and see that it is thrown out.

I was speaking about the one rupee cut. That cut was pressed to a division by the Honourable Members on the other side of the House. It was a cut proposed by the United India Party. The Mover was perfectly satisfied from the explanation given by Government and yet the other Party i.e., the Party of my friend, pressed for a division. In that connection it was clearly explained that it was not for accusing Government for extravagance, but, on the other hand, in my speech it was clearly pointed out, that we were accusing Government of stinginess in not proceeding rapidly with the Dehra Dun Academy.

My friend, Mr. Amar Nath Dutt, has given one more reason for his present attitude and it is probably on that account that he has taken up this position and it is this. He says that a great injustice has been done to the Hindus by the Poona Pact and that the Premier should not have accepted its revision. This time he spoke for the whole of Bengal. May I, again, ask a similar question? I am glad he has come in—Did he raise his voice at that time?

**Mr. Amar Nath Dutt:** We had no opportunity at that time.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** Sir, the history of the Poona Pact is fresh in our minds and I need not relate the circumstances under which that Pact was revised by the Premier. If the Premier had not accepted the revision of the Communal Award, I am sure, my friend, Mr. Amar Nath Dutt, would have been the first to accuse Government of allowing the greatest man of India to fall a victim to their tyranny, by an adjournment motion in this House; and the whole of Bengal, for whom he claimed to speak today, would have been up in arms against the Government. It was because of saving the country from a critical situation like this that the expenditure under "Army" and "Law and Order" is comparatively low and for this at least, while speaking on the Finance Bill, he should be thankful to Government.

Sir, I further sympathise with the Honourable the Finance Member inasmuch as he has to face criticism which it is impossible for any Government to comply with. We have heard the Honourable Mr. Lalchand Navalrai complaining of heavy and unnecessary expenditure on some of the services today. When the general discussion on the Budget was going on, he complained of the ten per cent. cut not having been fully restored. He wants the taxable limit to be raised to Rs. 2,000, because collection is difficult. If this argument is accepted by Government, I may appeal to the petty peasants who pay less than Rs. 20 to create difficulties in collection of land revenue so that a margin for bread and butter may be found for them also. The Honourable Mr. Sen finds fault with Government for not stopping some of the Members of his own party from introducing the Temple Entry and other Bills and if perchance that charge fails, because Government have given them no help, he says he would quote the Sarda Act as his cause for anger today against the Finance Member. This reminds me of the old story of a wolf and goat who happened to drink at the bank of a river. As the wolf wanted to devour the goat, he said: "Why are you making the water dirty for me?" The poor goat meekly said: "Water is flowing from your side to my side, how can I make the water dirty for you?" The wolf regarded that as sufficient excuse, and said: "In that case, you accuse me of telling a lie". He at once pounced upon the goat and devoured her.

Mr. Lalchand Navalrai finds one more cause for his opposition. He says the Honourable the Finance Member held out a definite promise that the ten per cent. cut would not be restored and that these new taxes would not be carried beyond 18 months, and now the Honourable the Finance Member has said that in future he will not make any promise, but he will show hopes. For future guidance, I may tell Mr. Lalchand Navalrai, that in an agricultural country like India it is difficult or rather impossible for any Finance Member to hold out any such promises. Agricultural conditions here are such that people gamble against monsoon. The Honourable the Finance Member has, I understand, no control over the monsoon. For we find that the monsoon was so irregular this year that it was 16" in one day in Ambala and 4" in the whole year in Hissar which is in the same Division; and, therefore, it is impossible for him to hold out any promise.

Sir, the position of the Finance Member is not enviable. He is expected not only to remit all taxes, but also to increase expenditure in Industry and Commerce and, for the matter of that, in all the spending Departments except perhaps the Army. In order to become a successful Finance Member in this House, he should adopt the following formula for his guidance. First he should give substantial bounties to big industrial concerns in order to satisfy the monied classes. He could in this way secure the goodwill of all capitalists and their friends, the so-called educated classes. In return, they will excuse him if he just does one thing more for them to keep up their outward appearances. He should join them in their chorus for verbal sympathy for the poor cultivator and the masses generally, for, nobody can question them if they import foreign cotton from America and Egypt and still expect that cloth manufactured by them with this foreign stuff should be allowed to pass off as pure Swadeshi. (An Honourable Member: "Quite true.") I know that these methods are being in a good measure tried by the Government of India and I am really surprised that, in spite



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of these methods, criticism is coming from the other side. I could multiply examples of this so-called lip sympathy of our capitalist friends with the poor agriculturist. But, I should not digress. The second condition for a Finance Member to win popularity is, that he should cut down expenditure in all Departments that have anything to do with the maintenance of peace in the country, including the Army; but he should forget this principle of economy when dealing with comforts for law breakers whether in jail or before law courts. For, all blunders and all sins are pardoned if they are committed in the name of the country and for the alleged good of the masses.

No Finance Member can satisfy all parties, like yourself, Sir. You are really Shanmukham, when you have pleased all the six Parties that are there in the House at the present moment. The Finance Member cannot be expected to do this. But, lest I may be misunderstood, I may make it clear that I sincerely feel that the present system of Government needs drastic changes. I gave details in my Budget speech last year and I need not repeat them today. The services are more costly than a poor country like India can bear. Great mischief and waste is going on in the name of "Red-tapeism" and "Decentralisation". Division between "Central" and "Provincial" subjects is likely to prove very costly; but a great change is in sight and it will be for the new-comers to suggest ways and means. Looking from a purely financial point of view, Government have done a great deal during the last two years. To give one example, the surrender of 20 per cent. of the Army Budget, without sacrificing efficiency, is not a small achievement. To cut it down to 30 crores, as has been demanded by my friend, Mr. Das, would be letting one province loose on the other; and I think Bengal would not like to see the Punjab frequenting that Province. In that case, if the Army expenditure were reduced so rapidly, then the Frontier will be found shifted down from year to year. Sir, the Army Budget, considering the present times, has touched the rock bottom of these days and, unless circumstances change, no reduction is possible without sacrificing efficiency which in the Army Department could not be played with. Other services are of course over-paid and over-staffed. The greatest mischief is being done in the name of equality of pay for Indians and foreigners. Sir, the time has come when all Europeans should be paid their salaries as experts and the salaries of Indians should be brought down to the level of our poor country.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): All Europeans are experts?

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** Yes. Because, taking the worst view, if outsiders are exploiting our country, why should Indians be allowed to join in that exploitation? Sir, interested persons do not press for this and similar motions. But these are things which will take some time. Certain interests are in power, and it will take years for the present class of Government servants to be divested of their vested interests. Let us wait for better times.

As regards taxes they are never welcome, and so, as pointed out by Mr. Lalchand Navalrai, in his able speech this morning, even the Government servants are tired of this burden. But he was all the time dealing with a class that could bear this burden. I refer to a class that can no

longer bear any extra burden. We agriculturists and the villagers are in a very bad condition. Our capacity seems to have been over-estimated. We are styled as the backbone of the country, but what will be the condition of the country if the backbone gives way under this burden? I feel the necessity for further retrenchment; and, while supporting the present motion, my position is this: the Honourable the Finance Member came before this House for certain expenditure. This House gave their approval to that expenditure and over 100 crores have been granted to him. Now, he comes before this House in order to raise money to meet that expenditure. Does it look well or proper in the mouth of the same Members to say "No" to him at this stage? Some of the taxes, no doubt, need as early remission as possible, but the question of priority is not so easy to solve. Some Honourable Members may call those whose income is between one and two thousand rupees as poor, but there are millions of agriculturists far poorer than those whose income is over one thousand rupees. They only gamble against the monsoon, as I said before, and it is really a surprise how they manage to live. So, if any remission is to come, it should be for the benefit of the agriculturist and for the villagers. They are living in appalling conditions. One day's visit by any Member of this House, who doubts the veracity of this statement, including the Government Members, to Fissar which is only 100 miles from this place will bear me out. Circumstanced as we are, no Finance Member could present a better Budget than this. Sir, I support the motion.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): Sir, the Honourable and gallant Member, who just took his seat, has set an example for me and I join him in congratulating the Honourable the Finance Member. Other Honourable Members have also offered him their congratulations for various reasons.

[At this stage Mr. President (The Honourable Mr. Shanmukham Chetty) vacated the Chair which was occupied by Sir Hari Singh Gour.]

I have also a special reason for the congratulations I offer. My Honourable and gallant friend has answered all the carping criticisms levelled from this side over the devoted head of the Honourable the Finance Member and, in that way, he has lightened his task of any more answering them. My Honourable and gallant friend has thus performed a signal service to the Honourable the Finance Member and to the Treasury Benches generally, and I shall be very glad to see that some gratitude is shown to him for the service he has rendered. My Honourable and gallant friend is a representative of the Army, and, as is natural to expect from him, he has been singing the praises of the Army, the Army Member and the Commander-in-Chief. I was really surprised to hear him say that there was no more room for retrenchment in the Army without the loss of efficiency. I gathered from the speech of the Honourable the Army Secretary that some more retrenchment in the Army Department could be expected in future years. The Army Department itself does not consider that the rock bottom of expenditure has been touched. They are trying their best to reduce expenditure and they expect that in future years something more pleasing to this side of the House would be done . . . . .

**Honorary Captain Rao Bahadur Chaudhri Lal Chand:** They are bowing before criticism, perhaps.

**Mr. B. V. Jadhav:** But my Honourable and gallant friend is perfectly satisfied that the rock bottom has been reached, and if better days come, I think he will be the first to encourage Government and the Military Department to increase their expenditure. However that may be, times are changing. I do not know whether the present signs in Europe and Asia are making for peace or for war, but at all events if the worst happens, I am quite sure that England will be at peace with other nations, and if a European war takes place, I think England and India stand to gain . . .

**Mr. B. Das:** Yes, it is coming within a year or two.

**Mr. B. V. Jadhav:** But, Sir, whatever that may be, we on this side will always maintain that the expenditure on the Army is out of proportion to our means. We want peace and good government, but at the same time Government should see that we are able to bear the burden. A thing may be very good and very efficient and very useful, but if my purse will not allow it, then it is not right that I should aspire to have it. A Rolls Royce, for instance, may be within the means of some friends of mine,—I may envy them, I may like to roll in a Rolls Royce car, but, Sir, I should be satisfied with what I can afford to purchase and enjoy what Providence has given me. A very efficient, a very powerful and a very strong Army may be a very good thing, and it would be essential if India were bent upon an expanding policy, in expanding her frontiers. But a very big Army for merely maintaining peace within the frontiers of India is not at all necessary because, as a matter of fact, 75 per cent. of the population is dubbed as non-martial. What do you want this big Army for, to keep peace and to rule over non-martial races? I do not think that such a big Army is absolutely necessary.

This morning the question was raised about the tribal area. The tribal area, as the matter stands now, is a very indefinite subject, and I need not take the time of this House in going over the same ground. But what was tribal area 25 years ago is now within British India, and what is tribal area today may after some years come under *Pax Britannica*. But at the same time, I am afraid there will be no peace, and fighting will go on as before.

Now, Sir, after the Army, there are other Departments of the Government of India which are equally important, and the efficient administration of them all makes the whole administration successful. The success of any Government is measured by the efficiency with which the Departments are run; but, at the same time, cheapness also must be looked to. If an administration is very expensive, but at the same time efficient, then even for the sake of efficiency a high expenditure beyond the capacity of the country cannot be a desirable thing. Of all the Departments of the Government at present, the most important is the one over which my friend, Sir George Schuster, presides. He is the master of the Treasury, and from him the whole of the front Government bench is called the Treasury Bench. If the Finance Member does not provide sufficient money to carry on Government, then the efficiency of the Government will suffer, and, therefore, his skilful handling of the finances is a very important thing in the administration of such a vast country as this. A full treasury and light taxation is the test of good Government. If taxation is very heavy

and unbearable, and in that way the Treasury of the Government is filled, then the Government become very oppressive and the subjects will not get the benefit of good government. An empty Treasury connotes lavish expenditure both on its servants or on extravagant schemes that are undertaken. If the servants are paid very lavishly, the Treasury is soon depleted, and if the Government undertakes extravagant schemes and if they fail to realise the profits anticipated from those schemes, then also the Treasury becomes depleted. When the Treasury becomes depleted, the best remedy is to curtail expenditure, and under the present circumstances to meet the crisis the new President of the United States of America is introducing a cut of over 15 per cent. in the salaries of all officers. That is the right move. The losses in the Treasury cannot be wholly made good by heavy taxation, but in India this principle is not adequately recognised. Eighteen months ago, to meet an emergency there was introduced a ten per cent. cut and it was introduced on the principle of *takasher bhaji and takasher khaja*. A cheap thing like vegetables and a dear thing like gold or silver were to be sold at one uniform price of rupee a seer. I am not fond of telling stories, but to illustrate this saying I shall say that Government introduced the ten per cent. cut, whether the salary paid to a servant was a very small one or a very big one, the cut was ten per cent. Of course, on the servant with a small monthly salary the cut was a very heavy one, but, on the contrary on those, who drew in salaries thousands of rupees every month, the ten per cent. cut was not a very heavy one. So, Sir, the Government of India, I think, have failed in coming up to the expectations of the people in the matter of retrenchment.

The Finance Member eighteen months ago had recourse to another measure for filling the empty Treasury and thus to balance the Budget. Balancing the Budget is a very sound principle indeed and nobody will say anything against it. But there are methods of balancing the Budget. The method adopted by Government was to increase the taxation all round. And what is the result? The taxation is so very heavy that I think the ryots are unable to bear anything further. The limit has been reached, the law of diminishing returns has begun to operate. The poor trader or the man with a very small income under Rs. 2,000 was selected to bear a fresh burden, and he is now groaning under it. Poor fellow, he cannot keep proper accounts, he cannot afford to keep a clerk to keep proper regular accounts to satisfy the income-tax officer that the income from his trade was not even Rs. 1,000. The officers of the income-tax department just call upon him to declare his income and if he declares it as below Rs. 1,000 they say, show your accounts. The fellow has not kept any accounts at all. He is not believed, and, at the sweet will of the income-tax officer, his income is taxed although probably that year he may have worked at a loss, and the fellow has quietly to pay what is demanded. This, of course, does not apply to each and every case. There may be some cases in which the income-tax officer may be right, but there are a number of cases in which injustice is done. I do not blame the income-tax officer, because he too has nothing to go upon, there is no evidence to show that no profits were made. But the result is that the poor man suffers. I do not mean to say that the income-tax officer or the Government intend that people should be squeezed out of their scanty earnings, but though there may be no intention the result is the same.

[Mr. B. V. Jadhav.]

Then, another policy which has been adopted by the Government of India of late ought to be seriously considered. In former years, the policy of the Government of India was that of free trade, and although Indian economists cried hoarse over the wrongfulness of that policy and showed conclusively that the industries of the country were being ruined on account of the severe competition of cheap goods from over the seas, still the Government of India were adamant and allowed manufactured articles of Europe and America to come in without any taxation; with the result that the indigenous trades and industries in India were killed and India was turned into an agricultural country producing raw material for the mills of Lancashire and the factories of the whole of Europe. This went on for some years. But the laws of the world are different. Free trade was not the principle adopted by the other nations. They were raising tariff walls higher and higher and giving encouragement to their own industries, and, in that way helping them, dumping their goods on other countries who indiscreetly stuck to the exploded doctrine of free trade. This continued for some time until the lovers of free trade themselves were seriously hit and had to give up their favourite free trade doctrines. By this time the Government of India too began to get light, and they too thought that free trade was not everything and that protection was a very good thing, and they began to levy protective duties. But that was not all. Under the guise of revenue duties, much more is now extracted from the pockets of the poor people and by these methods the Treasury of the Government is filled. As a matter of fact, the principle of free trade is not wholly bad, nor is the principle of protection wholly good. There is a golden mean between the two. Some articles can be produced by a nation with indigenous material, indigenous labour and indigenous capital. The manufacture of such articles must be protected and protective tariffs for a limited period will be justified. But those articles, which it will be very difficult to produce, should not be taxed. But even such are now taxed, and the tax is called revenue duty. In certain cases, the revenue duty is 10, 20 or 30 per cent. The poor consumer is thus fleeced. The foreign manufacturer does not pay it although he may pay it in the first instance and the foreign man does not pay it at all. The Indian merchant here who imports these goods has to pay, and ultimately that tax is recovered from the poor consumer. In this way, his purchasing power is crippled, trade is handicapped and the revenues ultimately suffer. When the trade expands, then alone prosperity of the ryot increases and more money flows into Government Treasuries. But, Sir, the present policy of the Government is to lay heavy taxation on the people by a protective tariff and, when that plea is not available, the high wall of customs duties is said to be erected for revenue purposes. Whatever that may be, it is impoverishing the ryots all the same and it is seriously affecting their power of purchase.

This was not all. 18 months ago, charges for delivering letters and postcards were increased in one case by 25 per cent. and in the other case by about 50 per cent. and what is remarkable is that the poorest man was charged 50 per cent. while the better off person was charged only 25 per cent. The postcard formerly was priced at six pies. By raising it to nine pies, the charge has been increased by 50 per cent. and it is the poor who make use of the postcard. The postage for a letter was one anna 18 months ago, and it was increased by only 25 per cent. because it would have been

a great injustice to the better off people who usually write letters and send them in an envelope. Government are very careful about the well to do classes and they are very harsh on the poor people. My Honourable friend, the Member for Labour, says that Government always do it. I do not share that view. I do not think that Government always do it, and I shall qualify it by saying that Government do it many a time. The present Finance Bill is not a very encouraging Bill. The Finance Member could not lighten any burden on the shoulders of the poor people. He feels every sympathy for the poor, but I am afraid he was quite unable to reduce the burden on the man with a small income or to show some sympathy to the man who uses postcards. It would have been well had he given some relief in the case of income-tax and in the case of postage stamps along with his scheme of relief to the hard pressed Government servants from top to bottom. But he was very generous to the one while he closed his eyes to the hardships of the other. His Finance Bill is not very welcome to this House and, unless he makes it acceptable, many of us will have to show that we do not appreciate it. No doubt times are hard now. There is a slump in trade. Government revenue is not coming in as rapidly or as fully as it did before. The slump in trade may last much longer than is anticipated. The new reforms are coming and they may require larger revenue. The Honourable the Finance Member has exploited all available sources of revenue and the new Government may find it difficult to seek fresh avenues. With these words, I have to say that although I congratulate the Finance Member on his Budget, I am disappointed.

**Mr. T. N. Ramakrishna Reddi** (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): I am not using merely an idle phrase when I say that we on this side of the House are very much disappointed with the Finance Bill that has been introduced by the Honourable the Finance Member. We anticipated that after an era of heavy taxation, which commenced from the year 1930, the Honourable the Finance Member would give certain relief to the heavily burdened tax-payer by reducing some taxes here and there, but we have not got any such relief. On the other hand, we are having one or two proposals for additional taxation such as on the uppers of boots and on stamps and cheques.

The Honourable the Finance Member has framed his Finance Bill on the supposition that emergency still continues and that the emergency which necessitated the imposition of very heavy taxation in the year 1931 still existed, but, at the same time, he has given some relief to the services by restoring the five per cent. cut. Having done so, he would have earned the everlasting gratitude of the people, especially of the agriculturists, if he had given some relief to the tax-payers. In the Finance Bill, we do not see anything about the discontinuance of the taxes that have been levied in 1931 in the special Session. 1930 was the beginning of the era of additional taxation. In the year 1930, this House has given additional taxation to the extent of five crores and, in the year 1931-32, additional taxation to the tune of 15 crores has been given to the Government. Then, at the time of the emergency Budget, we further sanctioned an additional taxation of 7½ crores for the remaining portion of 1931-32 and for the full year of 1932-33 an additional taxation of 14 crores 83 lakhs. Altogether, for these three years, this House sanctioned, or rather the Government forced this House to sanction additional taxation to the extent of nearly

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Rs. 43 crores. That is the heavy burden of taxation which we have had to bear in these hard days when the prices of agricultural produce have fallen so disastrously and when the power of resistance of the tax-payer has gone down so much. Hence I say that we were anxiously expecting that the Honourable the Finance Member would give some relief in this year of grace 1933-34.

Only this morning, Sir, my Honourable friend, Dr. Ziauddin Ahmad, said that the burden of military expenditure of this country was equal to the total revenue that was obtained by the Government by way of customs duties, and he also stated that the law of diminishing returns had begun to operate from the year 1930 on account of this heavy burden of taxation. Sir, as I pointed out, we have sanctioned nearly 43 crores of additional taxation; and the Military expenditure itself would have been almost equal to the yield from all the tax revenues of this year,—on the basis of the taxes that existed in 1930. Hence we say that the military burden is very heavy and the Honourable the Finance Member would have done a distinct service to this country and brought relief to the poor tax-payers if he had tried his hand further in the direction of the reduction of the Military Budget. Sir, the Honourable the Finance Member in his Budget speech analysed the consumption of articles in this country and divided them into three groups: articles of luxury, articles required for industrial purposes, and articles of necessity for the masses, and under the head of articles of necessity for the masses he has shown by facts and figures that, in spite of this heavy taxation, consumption of articles of necessity like clothes, kerosene and salt has been much more in spite of the diminished purchasing power of the ryots, and thereby he has sought to make out that we can safely continue this heavy burden of taxation on these articles of necessity. The Honourable Member has tried to prove that there is still an increase in the consumption of these articles and the poor people have not very severely felt the burden of this taxation. And he wants us to infer, if he has not stated so exactly, that if we want any more revenues we have only to tighten the screw a little more on these taxes on articles of necessity. Sir, I am not going to dispute the facts and figures my Honourable friend has quoted and we may take them as true and correct, but I cannot endorse the conclusions which my Honourable friend has derived therefrom. I examine the case in my own way, with the intimate knowledge that I have of the life of the villager in his village home.

Sir, during the days when the prices became very high, the people of this country took to a certain higher standard of living. India is essentially an agricultural country and its whole wealth lies in its agricultural produce, and, in the years after the cessation of the war, in those boom-ing periods, the agricultural people were deriving very high incomes from their produce and so necessarily they had taken to a little higher standards of life. Now, when the prices fell, they had still to keep up their standard of living. It is, of course, very difficult to give up a standard of life when once it is acquired and now although these agricultural prices have fallen and they have a much diminished purchasing power, yet they have had to consume the same amount of cloth, the same amount of kerosene, the same amount of salt which they were accustomed to consume during the boom period. But, Sir, my Honourable friend's Budget

Speech does not disclose the amount of indebtedness of the population of India. It would have been an illuminating chapter in the Budget Speech if the Honourable the Finance Member had devoted a few paragraphs to the subject of the poverty and indebtedness of the ryots. If he had brought out that aspect, it would have been very clear that the poor people have been consuming these articles of necessity by selling little bits of silver and gold they had in the form of trinkets, or, if they have not silver or gold, they have had to go to the *sahukar* and contract debts. The Honourable the Finance Member should have portrayed the increase in the poverty and indebtedness of the poor people of this country and that would have been really illuminating, but he has not done so. That, then, explains the real facts about the so-called extraordinary power of resistance which the Honourable the Finance Member wants us to infer from the facts and figures that he has marshalled.

Then, the Honourable the Finance Member said in connection with the exports of gold from this country that that has been a boon to the poor people and to the agriculturists. He said, they have been getting a 30 per cent. increase in the price of his gold and not only that, he said, that they have been investing the proceeds of the sale of their gold or silver in Government Securities and in Post Office Cash Certificates. Sir, my Honourable friend, Mr. B. Das, clearly stated yesterday how this was a myth and how the poor villager was not getting a price equal to the gold and silver which he was selling.

**Mr. N. N. Anklesaria** (Bombay Northern Division: Non-Muhammad-an Rural): if the goldsmith cheats the ryot, is that the fault of the Finance Member?

**Mr. T. N. Ramakrishna Reddi:** He has been forced to part with all his silver and gold: that is what I am driving at.

In that connection I will give an instance from my own personal experience of how the people get less money than they expect. Very recently I took some old silver vessels which I had to a jeweller's shop to get new articles like cups and saucers and I thought I would have to pay only the making charges over and above the silver of equal weight. But when I saw the bill, I thought that I ought not to repeat the experiment again. I had to pay much more over and above what I gave in the shape of silver. That has been the experience of all these villagers. They take their gold and silver articles of jewellery in the hope of getting a good price, but when these jewels are melted, they find that it contains inferior gold and the middlemen, that is, the Marwaris and Gujratis who purchase this gold, give him a very low price. And it is those middlemen who make good profits. That shows that the villager is not getting 30 per cent. more on account of the appreciation of gold as the Finance Member wants us to infer. On the other hand, he is selling all this at a lower price in order to purchase articles of necessity for his very existence.

Then, Sir, with regard to the investment of ten crores of rupees in Post Office Cash Certificates and other Securities, if only the Finance Member had called for statistics of the class of persons who have invested in these, he would have found that there are not even one or two per cent. of these villagers and agriculturists who have invested in these Securities and Post Office Cash Certificates. The money which he got by selling these gold trinkets and other jewellery was spent for the payment of taxes and for purchasing articles of necessity and he has not got

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any margin for investing in these securities. Thus, though the facts and figures, which the Finance Member gave, are true, yet the conclusions which he has arrived at are not at all correct. Then, Sir, the Finance Member will say: "How are we to find money if we give any relief to the tax-payer at this time?"

[At this stage Mr. President (the Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

From the list of amendments to this Finance Bill, the Finance Member will find that almost all the amendments centre round only two or three things, namely, the reduction of postal rates and the removal of surcharge on income-tax and the raising of the minimum taxable income.

Sir, for years we have been discussing the Army Budget and we have been pressing upon Government to reduce the heavy military expenditure, and for years we will continue to do so until the Military Budget is reduced to its proper proportions. Of course we are grateful to the Military authorities for considerably reducing the expenditure on the Army, but there are still avenues, there is still scope for a larger reduction in the Military Budget. Diwan Bahadur Mudaliar has exposed the waste of money on the Engineering and Medical sides of the Army. If only the Military authorities rise to the occasion and see the extreme economic depression in the country, they can easily reduce the Military expenditure still further by two or three crores of rupees which would enable the Finance Member to give relief in taxes in some shape or other. Sir, I had already, during the course of the Budget, dealt with some cuts in connection with income-tax. I then pleaded for the removal of the surcharge which comes to nearly 3½ crores. I have already stated at some length how this amount could have been met. As I have stated, it could easily have been met by reducing the provision for the reduction and avoidance of debt. The Finance Member has even this year provided the full amount of six crores and 80 lakhs for the reduction or avoidance of debt. He could have easily reduced something like two crores in order to give relief to the tax-payer. Further, Sir, he has provided for the instalment of payment on war loan, not only for this year, but for the previous year, that is, for the December instalment. He has provided for the full amount this year also, though His Majesty's Government in Great Britain have not asked us for any payment of interest. This is what he said in paragraph 47 of his Budget Speech:

"His Majesty's Government have, however, agreed not to demand any payment due at the present time from their own debtors—India and the Dominions—pending a final settlement of the War Debt question. How that will be settled no one knows, but I hope that it will be in a manner which will bring relief to the debtor nations", etc.

Sir, when His Majesty's Government have not claimed interest on our war debts, there is no reason why we should make provision in this Budget. Further, the Finance Member has himself expressed the hope that there may be a settlement favourable to India; and so, after one year, the Finance Member may find that there was no necessity for making this provision. Again, the Finance Member has also made provision for the payment of instalment of war debts. That also is not necessary, because the whole question of payment of war debts is still under consideration. It may be that we may get complete relief in payment of war debt. Of course the Honourable the Finance Member, as the custodian of the purse of the Government of India, does his duty when he has made

all these provisions to provide for a wintry day. But, Sir, we expect more relief, not only in these war loan debts, but also in the way of capitation charges. A Tribunal has already sat and submitted a report and there also we expect some relief. There are so many ways of getting extra money in this year, and so, Sir, nobody would find fault with the Honourable the Finance Member if he has not made any provision for all these things and giving relief to the tax-payer in one or two instances. For payments of interest on war loan, Honourable the Finance Member has made provision to the extent of 87 lakhs and another few lakhs by way of payment of instalment of war debts. All these will nearly come up to two crores of rupees. Thus by saving these two crores of rupees and by reducing provision for reduction and avoidance of debt by two crores, he could easily acquire 4½ crores and thus give relief in some directions. If he had done so, the whole country would have been greatly indebted to him. Sir, I do not wish to take any more time of the House and, with these words, I resume my seat.

**Kunwar Hajee Ismail Ali Khan** (Meerut Division: Muhammadan Rural):

Sir, this is the occasion when every Member is entitled to have the privilege to put his grievances before this House, and I take the opportunity and lay my views before you and the House. I have recently made a short tour of my constituency, and I am sorry to observe that every responsible person in my constituency made a grievance about the taxes in general and the income-tax in particular. I always support the Government like a responsible person so far as the matter of law and order is concerned, but when the matter of taxes is concerned, I have to yield before my electorate to whom I am responsible. Every one of us is dissatisfied about the high taxes and enhanced postage. Last year, Sir, when the Finance Member put the Finance Bill before this House, he gave a definite assurance that all these new taxes would be a temporary measure. I cannot understand the definition of a "temporary measure"—whether it is for a year or two, three or four years or for ever.

Another thing to which I want to draw the attention of the Government is about the convenience of the Members. Sir, your predecessor appointed a House Committee. I was also a Member of that Committee and we made several recommendations to the Government, but not a single recommendation has been accepted by the Industries and Labour Department.

There is another thing about a motor shed. In the month of March the weather becomes very hot and it is a cause of great inconvenience to the poor people, the drivers of motor cars, waiting with the cars of Members under the strong sun. A similar complaint may be made with regard to Simla. Mr. President, you are aware that we generally have very heavy rains in Simla and there is no shelter for the poor rickshaw coolies in which they can protect themselves from the weather, while waiting for the Members during the Session time. When I put a question in this House on the subject, there was the stereotyped reply from the Government about the financial stringency. I do not know, Sir, how this plea of financial stringency is put forward by Government in the case of these useful recommendations, whereas, in regard to other things, such as Army expenditure, the financial stringency is not taken into consideration. With these few words, I oppose the new taxes and urge upon the Government to consider and give some facility to the poor man by reducing at least the surcharge and the enhanced postage.



**Major Nawab Ahmad Nawaz Khan** (Nominated Non-Official): Sir, I do not want to flatter the Honourable the Finance Member, but I honestly congratulate him for doing a very great service to India which, I believe, none of his predecessors had the chance of doing, i.e., to save the credit of India during such an unprecedented economic depression and the very great financial troubles. There is a proverb in India: *Lakh jai par sakh na jai*; which means the loss of money is less ruinous than the loss of credit. We all should appreciate his good will and the labour he has done under the trade depression all over the world to save the credit of India. We have unquestionably financial troubles by the increase in taxation. It is just like a man who has fever, but has a sure and certain safety from death. Today we are all crying against the increase of taxes, but we should think honestly for a moment that, God forbid, if India would have lost her credit in the world, how much gloomy would have been the atmosphere here and what would have been our case. And then, what would have been the remedy? Perhaps, in that case, we would all turn round to the Finance Member and every Honourable Member would perhaps be trying his best to support him in the increase of taxation too heavily and in a more practical way than the present one so as to save really the honour of the country.

Many Honourable Members rightly feeling the responsibility to their constituencies wish to try to reduce these taxes, but they should realise justly in the same way the greatest responsibility of the Government and the Honourable the Finance Member which is on a very large scale. Many Honourable Members are only responsible to a small circle of districts in India while the responsibility of the Finance Member and the Government is for the whole of the Indian Empire, rather for the whole world, I should say.

**Mr. Lalchand Navalrai:** What is the responsibility of your constituency?

**Major Nawab Ahmad Nawaz Khan:** You are not a child that you cannot understand what is my responsibility.

**Mr. Lalchand Navalrai:** Does anybody understand you?

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa: Muhammadan): His responsibility is to support Official Benches.

**Major Nawab Ahmad Nawaz Khan:** If the Finance Member were to please every Honourable Member and accept the criticism or the arguments for the reduction of taxes suggested by the Honourable Members, it will not be one or two taxes, but more than a hundred taxes which he will have to reduce, and the result of that would be to incur such an enormous loss of revenue as would paralyse the Government at once and would cause discredit to the whole of India. Every Honourable Member points out, according to his own interest or the interest of the constituencies he represents, the reduction of taxes on a particular trade or commodity. For instance, on the income-tax question people always say that it has very much increased and that the rates should be reduced. But take the agriculturists in comparison. Even if his income is so small as eight or ten rupees a year, he has to pay taxes, *viz.*, land revenue on that small amount. The agriculturist is always complaining that the ordinary tax payer is very much better . . .

**An Honourable Member:** Why do you not plead for the remission of this taxation?

**Major Nawab Ahmad Nawaz Khan:** I agree that everybody considers his own interest and generally ignores the interests of others. Even if you take the case of the agriculturists, those who grow sugar cane want that the land revenue or tax on sugar cane should be less than on other commodities; but take the wheat growers; they say that the taxation should be more on sugar cane and less on wheat. So . . .

**Mr. C. C. Biswas:** So you would want a more substantial subsidy for the North-West Frontier Province?

**Major Nawab Ahmad Nawaz Khan:** If you are so kind as to give more, then who does not want more money? Sir, I support the Finance Bill, because it is not a new Bill at all; it is an old remedy which has been proved so useful for the old financial disease. None of the Honourable Members have proved that the economic trouble of the time when this Finance Bill was introduced last time has now changed, and the situation in India is far better now than it was before and, therefore, there is no necessity for it. It is a very convincing and reasonable argument in support of this Bill that so long as the old financial trouble continues, logically we should have to continue the same useful remedy which was adopted and has proved a very useful one. Many Honourable Members, not realising the difficulties of Government, but only for the sake of pleasing their constituencies, have criticised the Budget to a great extent. If they merely mean to talk in the House, it is quite alright. But if they really mean that by their talks these taxes should be reduced, then it seems very unreasonable and impossible. Yesterday, my Honourable friend, Bhai Parma Nand, blamed the Government or the Prime Minister for the Communal Award. If we think over that point calmly, coolly and impartially, I think we Indians should blame ourselves and not the Government. It was given, because of the inability of the Indians to come to any amicable settlement among themselves. The Government were not desirous of giving any award. It is no advantage to the Government in any way. The Prime Minister neither belongs to the Muslim community nor to the Sikh community nor to the Hindu community, socially, nationally or religiously. The Government in India and His Majesty's Government in London asked the delegation to the Round Table Conference there and the other Indian leaders here that if by mutual consent they could come to some settlement, whether it was useful or not to any particular community, that settlement would be acceptable to His Majesty's Government. It is rather a shame for us, Indians, that we were not able to settle anything and now to blame the Government for it, and specially when we requested the British Government to settle this matter. Now, when the Government reluctantly has settled that question, we should not blame the Government. It is not right, though it may not suit any Honourable Member of the opposite side. It is also a kind of justice and impartiality that if you cannot please all the people, it is much better to do such justice that many of the people are not pleased with that. So, when it is said that the Communal Award has not pleased any community in India, I say that is a good point in its favour and it shows that the Prime Minister never wished to join with, or to be dictated by, any particular community. If he had joined wholeheartedly with the Muslims, then he would have given all what the Muslims



[Major Nawab Ahmad Nawaz Khan.]

wished; or if he had joined the Hindus, he would have given everything to the Hindus. But he and His Majesty's Government have seen that the different communities are fighting over social and political questions and, for their own future advancement, they cannot come to any mutual settlement; therefore, as the Paramount Power, it was their duty to think out and decide what was just for each community. Nothing less and nothing more. Sir, I do not wish to take up any more time of the House, and I beg to support the Finance Bill and to congratulate the Finance Member.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 15th March, 1933.

## APPENDIX.\*

**Mr. N. R. Gunjal** (Bombay Central Division: Non-Muhammadan Rural): My Honourable friend, Sir George Schuster's motion for the Standing Finance Committee has already come in for a considerable amount of criticism. The Budget which is issued under the authority of the Cabinet is full of defects. And the more so for the fact that the Standing Finance Committee is not allowed to deliberate upon it. The Standing Finance Committee is only allowed a very short time for examining the Budget as closely as it should have wished and, besides, having limited rights, they have neither the time nor the opportunity for making any recommendatory changes. When I was a Member of the Bombay Legislative Council, Sir Chuni Lal Mehta used to be the Finance Member. At that time a similar discussion had arisen and it was urged that the Standing Finance Committee should be consulted before the Budget was prepared. I am reminded today of how Sir Chuni Lal Mehta listened to all that the House had to say on the matter, before he prepared his Budget. If the Honourable Sir George Schuster had taken the Standing Finance Committee more in confidence, such complaints and criticisms as the House has heard would not be forthcoming. May I hope for the Finance Member's careful consideration of my suggestion towards strengthening the hands of the Standing Finance Committee.

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\*Vide p. 2007 of these debates dated the 13th March, 1933.

# LEGISLATIVE ASSEMBLY.

Wednesday, 15th March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

## STATEMENTS LAID ON THE TABLE.

**The Honourable Sir Brojendra Mitter** (Law Member): Sir, I lay on the table the information promised in reply to supplementary question to starred question No. 1312 asked by Mr. Amar Nath Dutt on the 21st November, 1932.

## STRENGTH OF THE EMPLOYEES OF THE LEAGUE OF NATIONS SECRETARIAT.

\*1312. The total strength of the employees in the League Secretariat in 1932 was 1178.

**The Honourable Sir Harry Haig** (Home Member): Sir, I lay on the table the information promised in reply to starred question No. 391 asked by Sardar Sant Singh on the 21st February, 1933.

## PERSONS CONVICTED UNDER THE CRIMINAL LAW AMENDMENT ACT.

\* 391.

| Province.                              | Total number of persons convicted though not necessarily sentenced to imprisonment in connection with the Civil Disobedience Movement under Sections 2 to 7 of the Criminal Law Amendment Act 23 of 1932, during the month of January 1933. |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Madras . . . . .                       | 25                                                                                                                                                                                                                                          |
| Bombay . . . . .                       | 21                                                                                                                                                                                                                                          |
| Bengal . . . . .                       | ..                                                                                                                                                                                                                                          |
| United Provinces . . . . .             | 56                                                                                                                                                                                                                                          |
| Burma . . . . .                        | ..                                                                                                                                                                                                                                          |
| Punjab . . . . .                       | ..                                                                                                                                                                                                                                          |
| Bihar and Orissa . . . . .             | 51                                                                                                                                                                                                                                          |
| Central Provinces . . . . .            | ..                                                                                                                                                                                                                                          |
| Assam . . . . .                        | ..                                                                                                                                                                                                                                          |
| North-West Frontier Province . . . . . | ..                                                                                                                                                                                                                                          |
| Delhi . . . . .                        | ..                                                                                                                                                                                                                                          |
| Coorg . . . . .                        | ..                                                                                                                                                                                                                                          |
| Ajmer-Merwara . . . . .                | ..                                                                                                                                                                                                                                          |
| <b>Total</b>                           | <b>153</b>                                                                                                                                                                                                                                  |

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, I lay on the table the information promised in reply to starred question No. 573 asked by Shaikh Fazal Haq Piracha on the 27th February, 1933.

#### INCONVENIENCE CAUSED TO PILGRIMS AT BOMBAY AND KARACHI.

\*573. With a view to promoting the comfort of pilgrims, arrangements have been made to provide three ladders for embarkation at Bombay and Karachi. Two of these ladders will be available for use by pilgrims and one for use by coolies carrying baggage.

**Mr. P. R. Rau** (Financial Commissioner, Railways): Sir, I lay on the table the information promised in reply to starred question No. 604 asked by Mr. K. P. Thampan on the 2nd March, 1933.

#### AMOUNT SPENT IN CONNECTION WITH THE MADRAS AND SOUTHERN MAHRATTA RAILWAY STRIKE.

\*604. (a) The Agent, Madras and Southern Mahratta Railway, reports that the amount spent on account of propaganda is approximately Rs. 1,300.

(b) The Agent reports that the amount paid to Messrs. King and Partridge is not yet accurately known but that it is estimated at Rs. 1,350 and that most of this expenditure consists of fees for consultations and advice regarding employees agreements and the correct interpretation of the Trade Disputes Act.

#### THE INDIAN FINANCE BILL—contd.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume further discussion of the motion that the Indian Finance Bill be taken into consideration.

**U Kyaw Myint** (Burma: Non-European): Sir, if I might say so without any impertinence, we have had a somewhat dull debate on this particular motion, and it is my idea—I do not know whether my idea will prove to be justified or not before I sit down—but it is my idea to introduce a somewhat lively tone to the debate (Hear, hear), not by interjections about love letters in jail, but by, if I may respectfully submit to this House, speaking the truth—if anybody knows the truth—about the political situation in Burma. But before you make up your mind whether that subject is relevant or not, I shall be talking about a subject about which I know nothing. That subject is finance. And that will perhaps give the Honourable the Finance Member the chance of deciding whether he ought to get up and raise a point of order when I do speak about Burma.

You will notice, Sir,—or you would have noticed, if you were not otherwise distracted,—that I have a lot to speak about. Greatness has been thrust upon me suddenly this morning, and I happen to be so fortunate as to be the first speaker today. I think it was my friend, the Honourable the Finance Member, who told us in his reply in the general discussion

of the Budget that there were 40 speakers who had taken part in it. I plead not guilty to that charge, because I was not one of the 40. I had my innings against my Honourable friend, Mr. Maswood Ahmad, and I rested upon my laurels.

If I may presume to talk about finance, I shall have to go back to my Honourable friend, the Finance Member's speech made on the day he presented the General Budget. I shall not detain the House very long, because I know so little about the subject of finance. But I claim to be one of the very few men who have taken the trouble of reading—after enjoying the oral delivery of the speech—of further enjoying the speech by reading it not once, but many times, and I may confess at once that it was not because I was in love with the subject, although I have great respect for the Finance Member but that I was reading it for the first time, because I had nothing else to read; and then certain passages roused my ire and I read it again and again. But knowing well enough that I was not in a position to controvert them during the discussion of the General Budget, not being in possession of sufficient information about my own case as against the Honourable the Finance Member's case, I held my tongue, thereby proving to the House that I was a wise man. But I have now had the opportunity of studying the Finance Member's speech as one who studies a brief. I have even followed my usual custom, a custom that is almost invariably followed at the Bar, of marking in the margin all the passages in my favour in blue pencil and those against me in red pencil. In fairness to the Finance Member, I must say that there are as many blue marks as red. Sir, having practised for nearly ten years at the bar—and I say that to make myself sound, very ancient, even though I may not look very ancient—having practised at the bar for nearly ten years, I have gathered sufficient wisdom to say nothing about the points in my favour, because if an opponent says something in my favour, the best compliment I can pay to him and to myself is to hold my tongue about it; so that I shall devote myself only to those passages in the Finance Member's speech which I have marked in red. I shall not take very long either.

The first passage occurs at page 6. There, with the greatest respect to him, I will say to the Honourable the Finance Member that I disagree profoundly with his conclusions. This is the passage:

"In the first place, the results, as regards imports combined with the figures of Indian production of such articles as salt and kerosene and cotton piecegoods, seem to reinforce one of the points which I emphasised in my speech last year, namely, the extraordinary power of resistance, in spite of diminished purchasing power, which India shows in maintaining the consumption of certain standard necessities of the masses."

I take that passage to mean—I am open to correction by my Honourable friend—I take that passage to mean that the Honourable the Finance Member, when he wrote that passage, was obsessed with the idea that the masses in India who, after all, form the vast majority of the population, have what he calls an extraordinary power of resistance. I am glad in a way that he has said this, because, after all, this is a compliment he is paying to the masses. My interpretation of it is—I may be wrong and I am open to correction by my friend—that the Honourable the Finance Member was greatly impressed by the power of resistance that has been exhibited during the appalling trade depression by the masses in India. Certainly, viewed from one angle, that is a correct aspect. But I look at the matter from another angle, and when I express my point of view as against the point of view of the Honourable the Finance Member, I

[U Kyaw Myint.]

express it with the greatest diffidence. I look at it this way. Sir: it is not because the masses in India have any extraordinary power of resistance, but because of a totally different reason. I have seen a little of India. After all, in spite of U Ba Pe, the Separationist Leader in Burma, and His Excellency Sir Charles Innes, we are still today a part of India. So that if I speak of the masses in India, although I speak with personal knowledge only of the masses in Burma, I think I can paint a fairly accurate picture of what the masses go through in India and in Burma. Kerosene, for example, is a product of Burma. I believe that almost the entire market in India for kerosene is supplied by Burma. Take salt, for example—we are one of the few provinces in the Indian Empire who manufacture salt. So that, when I present my point of view as against the conclusions arrived at by my Honourable friend, the Finance Member, although I must express my views with the greatest diffidence, I do say that it is not because the population of India—the masses of India—it is not because they possess any unusual power of resistance that there has been no diminution, no appreciable diminution, compared with the diminution in the volume of trade. There has been no appreciable diminution in the consumption of these goods, which may be described as necessities in India only for the reason that the Indian peasant has always had such a low standard of living that it was really the irreducible minimum. Perhaps I have not made myself clear. A man must have food, a man must have clothing, a man must have shelter, and in these days of so-called civilisation he must have light when the sun has set. Therefore, a man must have salt, however poor he may be, he must have kerosene oil, however poor he may be; and the peasant in good times had only his fair share of kerosene and salt. When bad times came, he could not reduce his share of kerosene and salt, because if he had reduced his share of salt he would not have survived, and if he had reduced his share of kerosene, he would have had to be in complete darkness after sunset. That may appear to be a somewhat new theory to my Honourable friend, but I advance it—as I have said, with the greatest diffidence—as a theory worth considering, because, if my premise is accepted—if my argument that there has been no diminution in the consumption of these goods, simply because there could not be any appreciable diminution is accepted, then I shall prove my case later on when I make the assertion that India cannot afford to have any more taxation, that India is already over-taxed, or, if my Honourable friend will not admit that India is already over-taxed, that India has reached the maximum of taxation and that the imposition of any further taxation in India will only bring about calamity to the entire country. That is one point.

The next point is a very similar one occurring in page 14 of the speech (paragraph 29) when my Honourable friend was summing up his conclusions. I quote him:

"I may now sum up my own conclusions on that review. For my own part, the main impression gained by a study of what has been happening during these last two years of terribly difficult times is one of admiration and wonder at the way in which India and her people have adjusted themselves to the emergency."

Picking up the thread of my argument again, I would respectfully submit to my Honourable friend and to the House that there has been no adjustment, because no adjustment was possible. The masses in India had already arrived at an irreducible minimum in their standard of living and, therefore, no possible adjustment could have been achieved by them.

When a man is absolutely on rock-bottom, when a man barely exists—and that, I think, is the position of the ryot at least in India, and the position of the labourer in India, and the same remark has applied to Burma since the beginning of the depression—the poorest class of peasant in India and Burma had such a hard time even in the good old days that he could not live a harder life now than he lived two or three years ago. Therefore, in India, we are having on the one hand increase in taxation year by year and, on the other, no margin, so far as the poorest classes are concerned, remaining for taxation. If we go on increasing taxation from year to year—my theory being that we have already arrived at an irreducible minimum by way of a standard of living—if we go on increasing taxation from year to year, within the next two or three years, the masses will be so severely taxed that either they will cease to exist as masses or they will do something which will bring about a change in their condition. With respect to Burma, there have been attempts at the overthrow even of the Government. I do not say that taxation was the only reason, but I have had the very sad task of appearing in many rebellion cases. There was certainly one reason which had nothing to do with taxation. There was a man who was the Pretender to the Burmese throne. But apart from the existence of a Pretender, apart from the fact that there was a man who wanted to overthrow British rule, every witness that gave evidence in Court, either for the prosecution or for the defence, had to say at some stage or other that the economic depression brought about by the slump in trade, and over-taxation were equally important causes of the rebellion.

My Honourable friend, Captain Lal Chand,—I understand he is also a colleague at the Bar—my Honourable and learned friend—my Honourable, gallant and learned friend, Captain Lal Chand—has more than once during my presence in this House talked about martial races. At one time—I state this without meaning any offence to anybody—at one time it was the hobby of the Burman to go and knock at India's door. In the eighteenth century it was our hobby to conquer Assam, Manipur, Siam and other neighbouring countries just as a hobby. Until the British conquered Burma—it took them three wars to do it—until the British conquered Burma, we were a martial race, and from that and from the fact that we have had a rebellion lasting over a year in spite of the rebels being pitched against the finest products of the British and Indian armies, I think I may fairly claim that Captain Lal Chand, when he was speaking of the martial races, spoke also of Burmans.

What has happened in Burma may happen in India. That is the warning that I wish to convey to my Honourable friend, the Finance Member—serious words coming from one of the back-benchers of the Opposition. Apart from all other causes, one of the main causes of the rebellion in Burma was starvation. Burma has always been regarded as a land of milk and honey. It was rightly regarded as such until two years ago. We had on the one hand the trade depression prevailing; we had on the other hand a Pretender to the throne. On the top of these two main causes, we had also this threat of separation hanging in the air. Sir, separation is on my brain, I must confess it. It is my obsession just now. I have spent two years of my life opposing separation and I do not know today whether I am going to win or whether I am going to lose. I am not blaming anybody, because, if we are in a hopeless tangle in Burma, we have only ourselves to blame. I say that in fairness to Britain and to

[U Kyaw Myint.]

India. But if the province of Burma suffered so much through trade depression and through over-taxation, suffered so much that there was such a rising, such a rebellion, such an attempt to overthrow the existing Government, there may be, for very similar reasons, similar uprisings, similar upheavals, similar troubles in other parts of India, unless either taxation is reduced or the conditions of trade improve. (Hear, hear.) And then, perhaps, when we reach the limit of our endurance, even my Honourable, learned and gallant friend, Captain Lal Chand, will be fighting in the same ranks as myself—against the Government. (Laughter.)

If I may continue the quotation on page 15 (I am now skipping over 30 lines), my Honourable friend, the Finance Member, said:

"It is difficult to trace exactly the complete economic effects of these adjustments, but one conclusion is probably justified, and that is that the poorer classes, and particularly the wage earning classes whose wages have not been reduced proportionately to the fall in values of local food produce, are at present being better fed than ever before. Thus some advantage at least is gained."

That is certainly to me an alarming theory. I am sorry the only recognised labour leader in the House is not present today; but I think Mr. Joshi, if he were present, would have agreed with me that the condition of labour in India even in what we call the good old days was appalling. I have knowledge of Indian labour to this extent: as I have informed the House in connection with another subject, so far as industrial labour is concerned, Burma relies almost entirely on India, so that when I speak of labour in Rangoon, which is the only industrial town in Burma, I think more of the Indian labourer than of the Burmese labourer. The Indian that comes to Burma to obtain a living does so, because he is unable to obtain a living in his own country. I cannot imagine anybody leaving his country for another country if he can comfortably make a living in his own country. The Indian labourer goes to Burma, because he has better prospects in Burma. Rangoon is from the Burman's point of view an expensive town and yet the dockyard labourer, whether he is an Indian or a Burman, can earn in Rangoon only about Rs. 1-12-0 a day. Now, that would be fairly good wages if he could be sure of obtaining employment every day. But I went through certain statistics with a man with a better knowledge than my own of labour conditions all over India and we came to the conclusion—and I have no reason to believe that the conclusion is incorrect—that the utmost that the average labourer in Rangoon can hope for is employment for 12 days each month, and 12 working days at Rs. 1-12-0 a day is not much. Now, Sir, there is a vicious system of labour-contractors prevailing in Rangoon. I have no knowledge whether a similar system prevails in India also. In Burma, the system that prevails is that some person, with means at his disposal, imports labour. He pays the passage of the labourer coming from India. As soon as that labourer lands in Burma, he has to sign a promissory-note for some enormous figure, something like Rs. 300 or Rs. 400. I believe the usual figure is Rs. 300, and he remains a slave of that labour-contractor sometimes for five years. A man getting Rs. 1-12-0, a day for 12 days in the month has enormous difficulty in paying any debt at all, and the promissory-note being for Rs. 300, the labour-contractor is not satisfied until he has received a profit of about 500 per cent. on the money he has invested. Making allowance for such debts as may have been incurred by a man before landing in Burma, the average daily wage even on days of labour works out at not more than Rs. 1-4-0. Twelve days at Rs. 1-4-0, a day

works out at Rs. 15 a month or eight annas a day. I don't think a man on eight annas a day can enjoy any of the amenities of life, and I would ask my Honourable friend, the Finance Member, to consider whether the remarks that I have quoted are justified. After all, if a man's average income was only eight annas two years ago, it could not be very much less than eight annas today, for the simple reason that, if conditions were otherwise, he would not be able to live in a place like Rangoon. He could certainly manage to live outside Rangoon, but not in Rangoon.

Now, Sir, so much has been said about the export of gold that I should not like to say anything more. But I should like to say this. I see that my Honourable friend, Sir Cowasji Jehangir, is not here, so I will convey that information to him later. (Interruption by an Honourable Member.) My Honourable friend, Dr. Ziauddin Ahmad, tells me that he will convey the information. The information is quite simple and can be conveyed in a very few words. I thoroughly disagree with Sir Cowasji Jehangir on the question of the export of gold, which also means that I profoundly disagree with my Honourable friend, the Finance Member, also. As so many Honourable Members of this House have addressed you and the House about the export of gold, I will spare the House any further remarks. (Dr. Ziauddin Ahmad: "Say something.") In answer to what I may describe somewhat flippantly as Dr. Ziauddin's egging-on, I will say something. There is a further passage in the Finance Member's speech about the export of gold. I shall not trouble the House with an exact quotation, but I will give the gist of it. My Honourable friend said that, although the trade balance during the past two years, looking at the imports and exports of goods, raw materials, and so on, has been unfavourable to India, yet, owing to the large export of gold, regarding gold as a commodity and not as a precious metal, there has been no harm done to India. I am open to correction, but that is the idea that has been conveyed to me by what the Finance Member said in his Budget speech. If my impression is correct, then, according to my Honourable friend, it is the export of gold that has saved India. From a certain angle I agree with him, but, on the other hand, looking at it from another angle, I disagree with him for this reason: gold can be regarded in several ways. You can regard gold as just a commodity, in the same way as cotton; human imagination being extremely wide, you can do that.

Firstly, you can imagine gold as just a commodity. Secondly, you can imagine gold as something precious, something not to be parted with except in times of great emergency. Thirdly, you can imagine gold as either bullion or just a kind of money. If you regard gold as a mere commodity, if you regard this stream of gold going out of India as just a stream of goods going out of India, then the Honourable the Finance Member's views may be correct. If, on the other hand, you regard gold as something precious, something that has got to be hoarded, something that should not be parted with if you can possibly help it, then you must disagree with the Honourable the Finance Member. It depends, Sir, on how you look at it. My Honourable friend, so far as I am able to follow him, wants us to regard gold as just goods. Now, is that reasonable, Sir? Is that wise, Sir? What does gold represent to us? What does the average person do—I am talking of the masses—what does the average poor person do if he can save a little money? He turns it into gold, and usually for two reasons. He wants gold ornaments for his wife and children or for himself. I have seen men with gold ear-rings, not in my own country.

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[U Kyaw Myint.]  
but over here. That is one reason, buying gold as something in the nature of jewellery. But is that the only reason why the poor man wants to buy gold? No. The second, and probably the more important, reason is this: what a comfortable bank balance is to a business man, what a comfortable margin is to a man dealing in stocks and shares, and what a reasonable expectation of wealth is to a person who is a member of a wealthy family, all these things are to the upper classes what gold is to the lower classes—to be used as capital if necessary, and to be hoarded up as something precious, something that must be kept against a rainy day. That is my submission to you, Sir, to the House, and particularly to my Honourable friend, the Finance Member. Gold in this country is not a luxury. Gold is a sort of insurance with the masses of India, and, therefore, if you allow gold to leave this country in such enormous quantities, you are taking away the only reasonable insurance that this country has against calamity. We cannot, I respectfully submit, afford to allow the stream of gold to continue to flow out of the country. We may not have reached the stage when the stream stops by itself. I do not think we have quite arrived at that stage. I think there is still some more gold in the country. But I do submit that we have arrived at the stage that something must be done to stop the stream that is flowing out of the country. If that is not done, we shall meet with disorder, and that very soon too. I may now quote my Honourable friend again:

"In fact, by cutting off imports of precious metals and supplementing her purchasing power by drawing on her reserves of gold, India has been able to keep up her standard of living and her position as a customer for the goods supplied by the rest of the world to more nearly normal levels than most countries."

Now, if my theories require any proof, this quotation surely will suffice. Sir, I have placed before you two theories. One is that, so far as the masses in India are concerned, the standard of living is so low that it is the irreducible minimum. The other theory is that gold here in this country is more than a precious metal. It is not goods. Gold is insurance so far as India is concerned. And if these theories require any proof, the Honourable the Finance Member himself has supplied that.

"By cutting off imports of precious metals . . ."

Of course, the imports of precious metals were cut off. Why? Because we had not the money to buy them; we were reduced to such a state, we were in such misery, that we were parting with gold. We had not any money to spare; in fact we had not enough money to live on comfortably. We were parting with our most precious possession, namely, gold. Of course the imports were cut off. We cannot expect poor people to buy precious metals by way of imports when the country is not only on the verge of starvation, but is literally starving:

" . . . by cutting off imports of precious metals and supplementing her purchasing power by drawing on her reserves of gold . . ."

Here, even my Honourable friend uses the word "reserves". Of course they are reserves, and our only reserves. Take the gold away, and what remains? Nothing at all. Sir, I am not a financier, and I do not know how the paper currency of this country will behave when all the gold is outside India! . . .

**An Honourable Member:** Like the paper marks in Germany.

**U. Kyaw Myint:**

" . . . India has been able to keep up her standard of living and her position as a customer for the goods supplied by the rest of the world to more nearly normal levels."

Ours is indeed a tragic position—tragic. It is not because we are able to adjust ourselves; it is not because we were very wealthy two years ago; it is not because we are very fortunate today; but it is because we cannot lower our standard of living any further, and it is because we have nothing further to part with except gold, that has brought about the state of affairs from which my Honourable friend is drawing the conclusion that we have been more fortunate than other countries! But even my Honourable friend, the Finance Member, admits this in paragraph 30:

"Neither the process of drawing on reserves, nor that of agricultural adjustments, can be continued indefinitely."

There he is arguing in my favour—although I have stated the case in somewhat stronger terms than he has. Instead of saying "indefinitely", I would say, personally:

"Neither the process of drawing on reserves, nor that of agricultural adjustments, can be continued for very much longer."

The question of import duties I leave to my Honourable friend, Mr. H. P. Mody, and the question of export duties I leave to my Honourable friend, Mr. Maswood Ahmad, who, I see, has tabled a motion about that by way of an amendment. I come now, Sir—having given you enough time to consider whether you should stop me or not—to the question of the separation of Burma. (Hear, hear.)

Sir, I make it plain to this House—and I make it plain, because I appreciate most deeply the courtesy I have always received in this House—I make it plain in this House that if any man is hated in Burma at the present moment, I am he. I am hated by many, including the Government of Burma. Sir, the story of Burma is indeed tragic. I have been given two opportunities already, during the past two years, of addressing this House on the question of the separation of Burma from India. The first occasion, you may remember, Sir, was during the Budget Session of 1931—the first Session in fact of the present Assembly. I moved a motion on the 16th March, 1931, in this House to postpone the consideration of the Finance Bill for one day. I took an extreme course. I knew I was causing a great inconvenience to my Honourable friend, the Finance Member, and to the House as well; but I took that extreme course, because it was the only thing I could do to bring Burma to the notice of the Government of India in the manner I wanted. This House was kind enough to pass the motion. I said in my speech on that occasion that the motion meant three things. In this connection I will quote a brief passage from my own speech:

"If the Government of Burma genuinely believes that the consensus of opinion in Burma has been in favour of separation, it should have no hesitation in agreeing to the referendum demanded by the people of Burma. I would also strongly urge that the referendum should be held under the direct supervision of the Government of India with this additional safeguard, that it should be conducted with the aid of a non-official committee representing every class of Burmese political thought and every shade of Burmese opinion."

These are the things which are implied in this motion for the postponement of the consideration of this Bill for one day. By adopting this motion for postponement, this House will be able to indicate to the people of Burma its adherence to the principle that it is for Burmans to decide whether to separate from India or to remain a part of the proposed Indian Federation. This House will be able to indicate to the people of Burma an expression of its concern at the manner in which the question of separation is being rushed through and treated as a settled issue. . . . By adopting this motion, this House will be able to support what I have urged and to support the agitation for a referendum under the direct supervision of the Government of India."



[U Kyaw Myint.]

The implications of that motion, Sir, were better stated by a more experienced colleague of mine, Mr. Jehangir K. Munshi, who is absent today, to my great regret. Mr. Jehangir K. Munshi, at the tail end of his speech, said this. I am sorry I cannot find the passage—and, therefore, I will content myself by giving its substance. He said that this House would not, by supporting my motion, be censuring the Government of India or the Government of Britain in any way, but that this House would be supporting the contention of at least one section of the Burmese people that the desire for separation in Burma was not unanimous. Now, the result of that motion was eminently satisfactory to me and to those people in Burma who share my opinion on this question. It did not result in the referendum that I wanted for the simple reason that it would have cost the Government too much and would have been highly inconvenient for obvious reasons, but at least we were given a chance of expressing our views, as a nation and as a country, on that question, without the aid and without the connivance and without the interference of the Burma Government. Now, that motion was passed in this House in March, 1931. You will recall that the first Indian Round Table Conference took place in December, 1930, and January, 1931, so that my motion came after the first Round Table Conference. I really moved this motion because, at the first Round Table Conference, Sir Charles Innes, who was then the Governor of Burma, had seen fit to choose four gentlemen, all of whom were in favour of separation. You will remember that at the first Indian Round Table Conference, the Burma Delegation, consisting of four separationist gentlemen, accepted the principle of separation and the Conference as a Conference had to accept the principle of separation of Burma from India, because there was no Burman there to controvert their statement. Now, Sir, in my speech on that occasion in this House I blamed the Government of Burma and I also blamed His Excellency Sir Charles Innes; but after all I could not blame any member of the Round Table Conference. There were four members chosen by Sir Charles Innes and, as all of them said that they wanted separation, naturally they got what they wanted. But I do blame the Government of Great Britain for subsequent events. The fact that I had moved a motion in this House successfully, to bring to the notice of the Government of India the state of affairs in Burma regarding the question of separation, must have been intimated to the Government of Great Britain, and yet, at the Second Indian Round Table Conference, Burma was not represented. For that I must blame them. After all if there had been one Round Table Conference at which all the people who came from Burma had demanded separation and were promised that, at the time of the Second Round Table Conference there was agitation on both sides in Burma. We had then formed two definite groups, each naturally claiming the majority for itself. On the one hand, there was the separationist group from whom four gentlemen had presented the case of Burma on the First Round Table Conference. They claimed that they were in the majority. On the other hand, there were people like myself who also claimed the majority for themselves. There were thus two definite camps in the field. The separationist camp had had their say at the Round Table Conference and the anti-separationist camp had also had their say in the Legislative Assembly of India. Surely, the Government of Great Britain could have recognised the mere existence of two definite shades of opinion. A few months after my motion was moved in this House, a

Burma Round Table Conference was convened. There had been already one Round Table Conference at which Burma was represented. It is true that, at the end of the First Round Table Conference, Great Britain was entitled to hold that Burma wanted separation. She was entitled to hold this view, because Sir Charles Innes had deliberately chosen four gentlemen of separationist tendencies. After all, I cannot claim that the public of Great Britain or the Prime Minister or anybody else in the Houses of Parliament was not being misled by what Sir Charles Innes had done. But by the time the Second Indian Round Table Conference was convened, surely at least the Government of Great Britain were in possession of knowledge which would have enabled them to hold the view that there were at least two shades of opinion in Burma; and yet, probably at the instance of the Burma Government, they held the Second Round Table Conference without inviting anybody from Burma. That was rank injustice. Not content with that, they held a separate Burma Round Table Conference and that was a greater injustice, for the reason that, before Burma had been separated from India, they had separated the Burma Conference from the Indian Conference. (Hear, hear.) We protested, but our protest had no weight. I could not come to this House on that occasion. After all, this House had given me one chance and I had taken full advantage of it. I could not very well come and pester this House again to give me another opportunity. That would not have been fair.

In spite of our protests, in spite of great efforts on my part to bring about a boycott of the Burma Round Table Conference, so far as the anti-separationists were concerned, the anti-separationists who had been invited did go to the Burma Round Table Conference. The House might desire to know how many anti-separationists went to the Burma Round Table Conference. There were 12 delegates out of a total of, I think, 21—12 delegates chosen from amongst the Burmese community in Burma. One would have expected, since there were two opposite camps in Burma, that the Government of Burma would have advised the Government of Great Britain to choose six from each camp. But no; there were four men chosen from our camp and eight from the other camp. We were allowed to play with dice, but the dice were loaded against us. But out of these four, when the delegates came back from the Burma Round Table Conference, to my great consternation, three suddenly turned separationists. What happened in England or what happened on the way, I do not know. So that out of 12 Burmese delegates who went to England to attend the Burma Round Table Conference, and out of the four who were anti-separationists when they left the shores of Burma, only one came back to the bosom of our party. That, Sir,—in fairness to him I ought to mention his name—was U Chit Hlaing, a man who adhered to his opinion throughout, who came here last month, and who is the President of one of the three General Councils of the Burmese Association in Burma.

Sir, after the Prime Minister's speech, you will remember, there was yet another debate originated by a representative from Burma in this House. Mr. Jehangir K. Munshi, on the 17th March, last year, moved a cut motion that the demand under the head "Executive Council" be reduced by Rs. 100. The cut motion was withdrawn, but we did get what we wanted from the mouth of the then Leader of the House, Sir George

[U Kyaw Myint.]

Rainy. That particular event is only a year old and so I will not detain the House by reading extracts from any of the speeches delivered on that occasion. And, then, in November last, we had the General Election in Burma. That, Sir, is the third Act of the Tragedy of Burma.

At the General Election, the issue before the country was quite simple. The Prime Minister himself had stated the issue quite simply. I will not quote from his speech, but this was in effect what he said at the end of the Burma Round Table Conference: "I have drawn a picture of the future Constitution of Burma on the assumption that it is going to be separated. If you want to be separated from India, if you do not want to go into the Federation, there is the picture of the Burmese Constitution. If, on the other hand, you want to enter the Federation, I will not say 'no' to it." It was very fair of him to say so; if I may use a term, that is not perhaps quite Parliamentary, it was a good sporting offer. After all the decision was in our own hands. We could take separation if we liked the Constitution that was prepared for us or we could reject separation and enter the Indian Federation and trust to the future. That was a fair proposition and I do not think the Prime Minister could have done anything more for us. There were two camps in Burma and he recognised both camps. He could not tell—no one could tell in those days—which camp was the stronger and who were in the majority, and all he said was: "Here are two opposite factions, let them fight it out in the General Election". A very fair proposition, indeed. We fought the General Election.

Going back a little, the Prime Minister's speech was delivered on the 12th January, 1932. We had ample time to organise ourselves and we did. On the 2nd July, 1932, there was founded in Burma the All-Burma Anti-Separationist League. I offered my services as Secretary and I became on the 3rd July, 1932, the Secretary of the All-Burma Anti-Separationist League. But splits and dissensions are not peculiar to India. Within a very few days there was a split in the camp and within a very short time indeed there were two organisations each calling itself the All-Burma—with emphasis on the "All"—Anti-Separationist League. Naturally I could not be Secretary of both, so I remained the Secretary of one; and the President of that particular All-Burma Anti-Separationist League of which I was the Secretary was Dr. Ba Maw who also came on the delegation last month. The other All-Burma League was led by U Chit Hlaing whom I have already mentioned. And, owing to the personal jealousies—it is a hard word to use—that existed between these two organisations with the same policy, there were curious happenings just before the election and during it. In many constituencies, for example, to our harm, we found more than one anti-separationist standing, while there was a single separationist seeking election. So that there were, I think, seven or eight constituencies where the fight was sterner as between one anti-separationist and another than as between either of these anti-separationists and the separationist. In spite of all these happenings, in spite of these dissensions and these personal jealousies, at any rate on the day the election results were announced we were in the majority. We had polled about 80 per cent. of the total number of votes and we had brought into the Council a large majority. I cannot say it was an overwhelming

majority, but it was a really large majority. Out of roughly 80 elected seats we had captured over 50; and it was then, Sir, that the curtain rose on the fourth Act of the Tragedy of Burma. We were in a majority in the Council; the Prime Minister in his famous Statement had given us a choice and the time had arrived when we had to make that choice. How did we make it, Act IV, Scene 1?

If I might refer back a little, as Secretary of the Anti-Separation League I issued a Press statement, and if the House will forgive me and if you, Sir, will forgive me, I propose to read two paragraphs out of that statement. This was a statement I issued to the Press on the 9th July, 1932, seven days after the Anti-Separationist League had been founded.

I was referring to the various resolutions we had passed at 12 Noon. what we called the All-Burma Anti-Separationists' Convention held at Rangoon on the 2nd July. There was one resolution which gave birth to the Anti-Separationist League and there was another resolution which explained our attitude. If you will permit me, Sir, I will read a short extract from this statement:

"The efforts of certain persons who wished to bring about concerted action amongst the Anti-Separationists in Burma culminated in the All-Burma Anti-Separationists Convention which took place at the Jubilee Hall on Saturday, the 2nd July, 1932. . . At the Convention, a resolution was passed, amongst others, to form the All-Burma Anti-Separationist League under the control of the Sanghas (Priests). In accordance with this resolution, the nucleus of the League was formed on Sunday last, consisting of 20 persons, among whom were representatives of the three General Councils of Burmese Associations and also of persons not attached to any one organisation."

Skipping a few paragraphs, I explained one resolution about the proposed Indian Federation as follows:

"There was one other resolution passed at the Convention to the effect that the Anti-Separationists of Burma resent the attitude of the British Government as regards Burma's entry into the Indian Federation. We realise that the choice before the country at present is Separation on the basis of the Constitution offered in the Prime Minister's statement or Federation. But, to our minds, the real issue is whether we should separate on the present terms or not.

The Indian Federation is still in the melting pot. Owing to the action of the Governor of Burma in sending only four Separationist Delegates to the First Indian Round Table Conference, and their acceptance of the principle of separation at that Conference, the subsequent proceedings of the various Committees following these Conferences have been conducted *ex parte* as against Burma. No one from Burma has been on any of the various Committees; nor has any delegate from Burma been invited to the Second Indian Round Table Conference.

We are of opinion that the attitude of the Burma Government as regards separation has been unfair. It is the function of a Government, when the decision of any particular question is left to the people to take no part in the controversy and to indulge in no propaganda for either side. In view of the fact that, since the acceptance of the principle of separation by the four Burma Delegates to the First Indian Round Table Conference, all subsequent proceedings have been carried out on the assumption that Burma will be separated from India as a matter of course (which, in view of the protests in the Legislative Assembly, the Karachi Congress and at various Mass Meetings held in Burma was totally unwarranted). We claim that, if, in the coming elections, we carry the day, we shall have the right of discussing how we should enter the Federation and on what terms. We give due weight to the recent statement of the Secretary of State for India. At the same time we give equal weight to the Resolution passed at the Karachi Congress in March, 1931, in which the Congress conceded to Burma the right to secede from the Federation if she should choose to enter it.

This aspect of the question requires not merely detailed study of the long course of events leading to the Prime Minister's statement about Burma, but also an intimate knowledge of political conditions in Great Britain, India and Burma. The issue we have kept clearly before ourselves since the Premier's announcement is, as I have stated above, whether we should separate on the basis of the constitution outlined in the Premier's statements or not."

[U Kyaw Myint.]

That was how I attempted to explain the attitude of the Anti-Separationist League on the 9th July, 1932. We were offered two things to choose from: on the one hand, separation with the Constitution outlined by the Prime Minister, on the other hand, a place in the Federation with all its implications. That was the issue on which we went to the country and that was the issue on which the country elected to the Council a majority of Anti-Separationists.

But all these things seem to have been forgotten as soon as the first Session of the Burma Council began on the 5th December. The events are so recent that I will refer to them very briefly. (I think I have taken over an hour.) On the 5th December, the first Session of the Burma Legislative Council began. Various motions were tabled and before these motions were tabled, we, as members of the Party which was in power, discussed these various motions. My suggestion—I may state it in this House without betraying any Party secrets—was that, since we had told the country that the real issue was whether we should separate on the present terms or not, we should content ourselves with tabling a motion merely for rejecting separation and trusting to luck for the future. That was not accepted. Various members of the party with legal experience, men like Dr. Ba Maw, who came here last month, and others, had ideas different from mine. By that time I had ceased to be an important member of the Party, because I was not a member of the Local Council. I was only a man who had an audience, perhaps, in India, but no audience in Burma. I resigned from that Party, the Party that I had formed, leaving it in the hands of Dr. Ba Maw as Leader. And what was the result? Act IV, scene 2.

The result was that on the 22nd of December, after 17 days deliberation in the Council or, making allowances for Sundays, after 14 days deliberation, we had that motion consisting of about 30 lines of print which you must have read, Sir, in the Press, if not elsewhere, and which I have read at least 50 or 60 times and which I have yet failed to discover the meaning of. At one time I thought that I could not interpret the motion which was passed by the Burma Council, because I had no brains, but I was indeed very joyful when on the 13th February Sir Samuel Hoare confessed in the House of Commons that he did not understand it either. That, Sir, is not the end, unfortunately, of the Tragedy, but that is the place where the curtain fell on Act IV, scene 2. We are now in Act IV, scene 3.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Is it a play in five Acts?

**U Kyaw Myint:** I really do not know how many Acts there are going to be, but we are still in Act IV, scene 3. If you will forgive, Sir, the phraseology of the playwright, U Kyaw Myint, M.L.A., the famous Anti-Separationist Leader, is discovered addressing the Legislative Assembly of India. That is where the curtain rises, and the curtain has been up for over an hour. Before the curtain descends on me, I would like to make one statement. I appeal to the Government of India, and through them to the Government of Great Britain, and this is the appeal I make to

them. I have alleged—this is the third time I am making allegation in this House—that the Government of Burma has been unfair to us. I make no such allegation against the commercial European community of Burma. My Honourable friend, Mr. Millar, is here. The European commercial community in Burma has left us severely alone. They have adopted practically the same attitude as the Indian National Congress: they have left us alone. I do not know whether they believe—my Honourable friend, Mr. Millar, will be able to tell me whether they believe—in self-determination, but they have left us severely alone, leaving us to determine the question ourselves. Neither on the one side nor on the other have they interfered, and for that I am exceedingly grateful to the community represented in this House by the Honourable Mr. Millar. But I do make this serious allegation against the Government of Burma, that the Government of Burma has interfered at every stage; and the last attempt on the Government of Burma's part was this: it occurred very recently: it occurred in fact on the 28th February last. One Session of the Local Council had ended with the motion of which neither Sir Samuel Hoare nor I could find the meaning. The second Session sat in February last, and that Session ended on the 28th February. It was the Budget Session. Nothing connected with the separation issue was on the agenda on any day, and yet on the 28th February, fifteen days after Sir Samuel Hoare had answered a question in the House of Commons, a certain gentleman, who is a member of the Council, solemnly gives notice of an Adjournment Motion to discuss the policy of the British Government as regards the future of Burma. If you, Sir, had been presiding in the Burma Council—which Heaven forbid: you are too good for the Burma Council, if I may say so—if you had been presiding over the Burma Council, when notice of that motion was received, you would not have taken any note of it. You would simply have read the notice and you would perhaps have called for some newspaper cutting or some other record of Sir Samuel Hoare's statement, and the moment you discovered that the Adjournment Motion was intended to give the House an opportunity of discussing something fifteen days old, you would have thrown that paper away. But did the President of the Burma Council do that? No. Why not? Because he was one of the four gentlemen who attended the First Round Table Conference at the invitation of Sir Charles Innes—namely, Sir Oscar de Glanville; and he solemnly proceeded not merely to give the Mover of the motion the opportunity he . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. It is not proper in this House to discuss a ruling of the President of another House.

**U Kyaw Myint:** I stand corrected, and I must apologise to you and to the House. I was saying that a notice of an Adjournment Motion had been received and what happened was this. At the instance of the Government of Burma, the Session was prolonged by two days. The Session was to have ended on the 28th February; but it was prolonged by two days for the mere purpose of discussing a motion which was substituted for the original Adjournment Motion; and, on the day on which the motion was due to be discussed, two parties walked out of the House. One was a Separationist Party and the other was an Anti-Separationist Party; and

[U Kyaw Myint.]

the only thing that happened on that particular day was that the Mover of the motion, instead of moving his motion, asked for further time. Time was granted till the next day and on the next day this happened. The Mover of the motion wanted to criticise Sir Samuel Hoare for daring to say that he did not understand the motion passed by the Burma Council. He was not given an opportunity and, therefore, he contented himself with moving that motion, making no speech on it. The motion was passed; and that was the end of that particular scene of the fourth Act.

What the next scene is to be, I do not know; and whether there is going to be a fifth Act, I do not know. But I do know this, that Burma, whatever has happened, or whatever has not happened, is still a part of India; that until Burma expresses in a clear and definite manner that she wants to leave India, that she wants to be by herself, that she wants to sever her connection with India, until we do that in Burma, no Government, either of Great Britain or of Burma, would be justified in excluding representatives of Burma from any deliberations anywhere concerning the Indian Empire as a whole.

That is the appeal I make to the Government of Great Britain through the Government of India. True, it is our own fault that we are where we are at the present moment—neither on this side of the fence nor on the other. We are to be blamed for it. I accept that. I accept the blame without offering any excuse. We have got ourselves into a mess. Some of us have realised it. We cannot think of a way of getting out of that mess; but the fact remains, and the fact cannot be ignored, that we are still within the Indian Empire. Now, Sir, you know and Honourable Members, I think, know that the White Paper which is to be published a few days hence will not mention Burma, which means that Burma will not be represented on the Joint Select Committee. Therefore, we are exactly where we were on the 22nd December. There has been a threat by the Government of Burma of another election. There has also been a threat of holding a Special Session to decide once for all the question of separation. I do not know what the various Parties in Burma want, because I am no longer a member of any Party. I feel honoured in being a Member of this House, but I shall have to think really hard before I ever decide to become a Member of the Burma Council, or, at least, the present Council in Burma. What will happen to me in Burma I do not know. I said in the beginning that I was one of the worst-hated men in Burma, if not the worst-hated man. Whether I shall be able to do anything to help my country in her dire need, I do not know. I thought that, since the general discussion of the Finance Bill offers to Honourable Members of this House an opportunity of discussing almost anything under the sun, I should take this opportunity. I am grateful to you for allowing me to speak at such great length, and I am very grateful indeed to the House for allowing me to take over an hour. My only excuse is that the separation question is on my brain. (Applause.)

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): Mr. President, if I am going to speak on the Finance Bill, I feel that it is not possible for me or, for the matter of that, for any speaker not to repeat himself to some extent; and this is obvious, because the Finance Bill sums up the revenue position of the Government. Further, the

Budget of the Government of India presents the same general features from year to year; and this Budget, as I said on the last occasion, is a repetition of the Budget of 1931-32.

My friend, the Honourable the Finance Member, made a claim the other day that his budgetary scheme represents sound finance, and he repeated that claim more than once. I wish to say something on this claim of his. I should have liked to know from him—because there are very few people in this House if any who really understand finance and financial questions so well as the Honourable the Finance Member—what he really means by sound finance. The phrase itself undoubtedly will be accepted by every one in this House, but what is sound finance according to my Honourable friend, the Finance Member? Does it consist merely in balancing the Budget or restoring equilibrium, as the phrase is? Does it consist merely in finding money for the expenditure of the Government, whether current expenditure or capital expenditure? Is that the entire outlook of sound finance? I am sure, Sir George Schuster himself will say “decidedly not”. Balancing the Budget is one aspect of sound finance, but there is a much wider aspect than that. He ought to have enlightened us, and we would have been very grateful if he had done so, on the wider aspects of sound finance. Sound finance is the backbone of a country's position, and as this is his last Budget, I for one, honestly speaking, would have liked to hear from Sir George Schuster what his conception was of sound finance for this country. I do believe that, if he had told us in plain straightforward language what would really be sound financial arrangements for India, it would have been of very great help to his successors. Let me try to understand the position in my own way. It is not merely balancing the Budget of a country like this with her teeming millions that is our concern; the Finance Member has got to think of something beyond balancing the Budget. If from year to year the Finance Member can think of nothing else, even balancing the Budget will be impossible for him in course of time. We are passing through what has been called world depression, but apart from any world depression, if Government do not increase the resources of the country, if they do not increase the productive power of the country, they cannot even go on balancing their Budget. The Finance Member must come to a halt; he will be faced with a stone wall on which he can make no impression whatever. Every one from year to year has read the speeches of Finance Members who have been holding office from time to time and the financial schemes that they have been putting forward, but on very few occasions indeed there have been any serious attempts made to increase the productive power of this country. I know there has been talk at times, but it has remained a talk all this time. And, Sir, if there had been no world depression, even then we would have been faced with an impossible situation. I have not the time, nor do I desire to review the administration of the finances of the country during the term of my friend, Sir George Schuster, but I must say, whether through bad luck or otherwise, things have been steadily going from bad to worse, during recent years.

Sir, what is the expenditure of the country? The expenditure of the country, as Sir George Schuster himself pointed out, consists almost entirely of military expenditure and debt services. These two swallow up the revenues of India. The revenues of India are extracted now at any rate by extremely heavy and oppressive taxation, taxation not only in the form of a heavy income-tax, but in the form of heavy tariffs as well.

[Sir Abdur Rahim.]

One result of it on several classes of commodities of imports is to kill the trade or to cripple it to a very considerable extent. The debt service is such a heavy charge that I should have expected, and the country does expect, the Finance Member to find out ways and means to get out of the situation in which we are placed. Sir, it has been assumed as an inevitable fact that it is India's destiny that she should be a debtor country to Britain. We know that we are paying interest from year to year, and some sort of sinking fund has been established, but I should like to know from Sir George Schuster how long will it take to redeem India from her present indebted position? Is that ever possible? I wonder if it is even desired by the Government of India. What then is the aim of the Government of India? I should like to have an explicit statement on this point. I do not mind what time it takes, but is there any prospect held out to India that she will be redeemed from her position of a perpetual debtor to Britain or any other country? Sir, instead of trying to rectify that position, more and more debts are contracted. What for,—to spend on railways mainly. I am not talking of the conversion loan. That stands on a different footing. Nobody quarrels with that,—but the loans that are generally floated in Britain as well as in India are mainly for the purposes of railways. Sir, even railways, however useful they are as means of communication, cannot solve the position. So far as a means of transport of goods and merchandise from one part of the country is concerned, we know that railways cannot compete with distant countries who have their own shipping thousand of miles away. That fact cannot be controverted. For instance, to take wheat from the Punjab to Bombay or to the port of Calcutta the cost is greater than the cost from Australia to London. One hears complaints every day from merchants that the heavy railway freights stands in the way of proper movement of the goods of this country.

As regards the railways being a productive proposition,—that proposition, laid down by my friend for all capital expenditure,—we know that there is a steady fall in railway revenues, with the result that the depreciation fund is fast disappearing and it is a problem which I believe even the Government have got to consider very seriously as to what should be done to enable the railways to pay their way.

Sir, as regards the general proposition that capital expenditure must be productive, I should like to hear from the Honourable the Finance Member what he actually means. Does he mean by this phrase that such expenditure must bring in a certain amount of income? If that is so, then I do say with all confidence to this House that that is a very narrow outlook indeed. The Government of India must take a broader view in this connection and for capital expenditure they must not confine themselves merely to schemes which immediately bring in dividends but look to what will ultimately result in increasing the productive power of the country. (Hear, hear.) I know that this is not the commercial principle, but the Government of India are not a commercial body, and we do not want the Government of India to confine themselves to a mere commercial outlook. The Government of India have to look to the interests of millions, not merely how to balance the Budget, but they have to see that they are able, by their financial policy, by their economic policy to improve the general condition of things in the country, improve the life of the people. That is the outlook which the Government of India should adopt, but which I am afraid they have seldom adopted. I

should like the Honourable the Finance Member to define what he had in mind when he said that the primary condition for a policy of capital expenditure is that it should be productive.

Now, Sir, the elementary principle as regards the Budget situation is that you must find money to meet the expenditure. That depends upon what the expenditure is. The expenditure may be so great that you cannot find the necessary amount to meet it without affecting the ordinary lives of the people and seriously hampering the commercial life of the country. Therefore, taking the position as it is, the Honourable the Finance Member was perfectly right in laying stress on the question of expenditure of the Government of India. I and most of my colleagues on this side of the House must express our thanks to him for having appointed several Committees in order to overhaul the expenditure of the Government of India in all its Departments. The Sub-Committees did their best within the opportunities allowed to them. A Sub-Committee was appointed for the purpose of going into the military expenditure, but unfortunately its scope was strictly limited. It was not to go into the question of the personnel and other kindred matters—equipment, mechanisation and matters of that kind. That Sub-Committee were not to go into those questions. They were simply confined to the administrative or ancillary and auxiliary services. Now, I protest against that. Why should we, Indians, for whose defence the army is maintained,—why should we, the exponents of public opinion in this country, be debarred from having a glimpse into the organisation of the Army, its size, its equipment and all those other things which cast so much burden on our country? What justification is there? Cannot we be trusted to regard matters which must be confidential as confidential, matters which intimately affect the defence of our own country. If that is the attitude of the Government of India towards us, what hope is there for the future Government of this country? I think the Honourable the Finance Member would have been well advised if he had left the whole question of reduction of Army expenditure open to the Army Sub-Committee. He had chosen the men who were to sit on it, and he ought to have trusted them as much as possible. I know they were all laymen, but they could have got some Indians also with knowledge of the military organisation. Even laymen, however, if things are explained to them by experts, can understand army question. Could not my Honourable friend, Diwan Bahadur Ramaswami Mulaliar, grasp any Army problem that was presented to him? Supposing the experts explained the position regarding the equipment of the Army, regarding the strength of the various forces, the various units, the flying corps, the tank corps, the infantry regiment, the cavalry, and all that,—is it to be supposed for one moment that he could not grasp the problem if the military authorities explained it to him? And could he not be trusted to keep his counsel regarding those matters? Sir, it was a serious mistake on the part of the Government that they should have limited the scope of the Army Retrenchment Sub-Committee in that way.

Now, I come to the Railways Retrenchment Sub-Committee with which you yourself, Sir, were associated. I do not think initially the scope of that Sub-Committee was defined, but at some stage or other that Committee was asked to limit its enquiry only to certain matters, certain comparatively small expenditure mainly relating to the Railway Board.



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LEGISLATIVE ASSEMBLY.

[15TH MARCH 1933.]

[Sir Abdur Rahim.]

There, again, the objection that was made was that the railway organisation, the running of trains, the workshops and all the other things that entail expenditure in the railways, were matters for railway experts. I do not deny for one moment that you must have the advice and help of experts in these matters. But the public are also entitled through their representatives to have a look into these things and to bring the view points of the public to bear on these problems so that the expenditure may not be excessive, may not be unreasonable, and may not be such as to make the railways a losing concern. Surely, there are many matters in connection with the railways with which members of the public are familiar, and they could help the experts themselves with their advice as to the way the public could be attracted to travel, as to what deters the public from making a greater use of the railways, or how the Railway Administration could be improved so as to be of greater service to the mercantile public. The representatives of the public would have been able to throw a good deal of light on these questions. The experts undoubtedly within their own province are the best judges and they would be able to advise the representatives of the people as to the mode of operation of the Railways and other technical matters of which they have much greater knowledge than any member of the public could command. Therefore, I do say it was wrong to stop or to limit the scope of the inquiry of the Railway Committee. The Railways spend nearly half the amount of the revenues of India, and surely there can be no doubt that their working could be so carried on as not to cause such heavy losses as the railways are actually showing.

So far as the Posts and Telegraphs are concerned, I believe the inquiry was exhaustive and complete. I have no complaint to make on that score. I may be mistaken. Perhaps my Honourable friend, Sir George Schuster, will be good enough to correct me if I am wrong, but I do not think their scope was limited. As regards the Civil Departments, with which the General Purposes Sub-Committee had to deal, they managed to go through all the Departments that were originally intended to be placed under their purview. The Government have accepted many of their recommendations and, as regards the Foreign and Political Department, I have received a statement of the reductions which have been accepted by the Government. They amount to 71 lakhs, while our recommendations amounted to a crore and 21 lakhs leaving out the North-West Frontier Administration. I was glad to hear from the Foreign Secretary that as regards the best of our recommendations his Department has kept an open mind and will consider what further reductions are possible. Then there is the question of the fixation of pay for future entrants. The Government have chosen to place that also in the hands of an official. The Honourable the Finance Member consulted us after that gentleman had gone a considerable way in collecting figures and formulating a scheme of his own, as to what our attitude on the matter was. We could not of course accept any responsibility for the conclusions which the expert might arrive at and we made it clear that if it was desired by the Government that the public should be satisfied as to the way in which the pay of the future entrants to the services should be fixed, there would have to be a fairly exhaustive inquiry into the whole matter. The Government were apparently of a different view and they were content to rely entirely on the advice which their expert will give them. That is how the question generally stands.

The Honourable the Finance Member knows very well that opinion in the country regarding army expenditure is very strong and firm. We realise and we appreciate the great efforts that have been made by him in inducing the military authorities to bring down their expenditure. It has been brought down, I believe from 52 crores to 46. That is, by six crores, but I must tell him quite plainly that we are not satisfied with this position. We believe and the Indian public believe that it is capable of further substantial reduction. We are ready to give further help in the matter and, if it is not availed of, it is not our fault. My Honourable friend, Mr. Mudaliar, has pointed out how, as regards two army services, the only two matters which he dealt with in his last speech on the subject, the engineering services and the medical, a great deal more economies could be made, that the administration requires overhauling and that if the administration of these two services is properly overhauled, there will be considerable saving to the Military Budget. We did not hear anything in reply from the Army Secretary on that point. We assume, therefore, on the authority of my friend, the Diwan Bahadur, that there is considerable room for saving in those services. These, however, are only a fraction. We assume further that there is room for substantial reduction in other military expenditure. We believe, for instance, there is a great deal of money being unnecessarily wasted in the Frontier. We should like to have a proper investigation of that also that the country may be satisfied that all the operations that go on there from time to time are justified. We shall, on the whole, proceed on the assumption that there is room for further substantial saving in the Military Budget.

Leaving the question of expenditure, let me say one or two words regarding the tariff policy. We were so far familiar with the phrase "discriminating protection" and latterly we became very familiar with questions of preference; but my Honourable friend, the Finance Member, has introduced another phraseology—that is revenue duty with protective significance. What is that protective significance? Does that significance relate merely to voting in this House? Sir, we would like to know something more in detail from him on this point. If a duty is imposed for revenue purposes, we should call it a revenue duty and deal with it as such. If it is imposed for protective purposes, to protect certain industries, then very different questions arise and we must bear a number of considerations in mind when dealing with it. As regards protective duties, we have a Tariff Board. There is to be an inquiry by the Tariff Board so that we may have all the relevant facts and figures before us before we can deal with a matter of this character. I do not suppose that in connection with proposed duties on silk and artificial silk, in connection with which he used that phrase, there has been any inquiry by the Tariff Board. Every revenue duty, if it is sufficiently high, has, it is true, a certain protective significance; that is to say, if there are industries growing in this country of a similar nature, they profit by these duties, because they are enabled to compete on easier terms with the foreign imports. Perhaps my Honourable friend will give us facts and figures relating to these duties—I mean on silk and artificial silk—which inquiries that have been made, the evidence he is in possession of as regards the effect of the duties on the silk industry of India.

Then, we have, time after time, year after year, till we feel almost wearied, protested against tax on machinery and raw materials. Perhaps the position of the Government is that these protests have been so often



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repeated that they need not take any notice of them! But we, Sir, cannot adopt such an attitude of indifference. We must go on hammering and hammering till we get relief, till we save our industries, till we can save the poor tax-payer of this country, because, after all, all these taxes ultimately fall on the general public. Therefore, I do say that, because certain questions have been discussed *ad nauseum* in this House and on which moreover there is no divergence of opinion in the country, that is no reason why the Government should treat our demand with contempt and disregard it altogether saying "Yes, all these things have been said before; we have heard it, and we have decided otherwise". Sir, we cannot acquiesce in that attitude of the Government.

I wish to allude to another question which is not a burning question at the present moment, but which, I am sure, will come up before the Assembly in the near future. I mean the shipping trade. We have asked the Government to see that whatever shipping trade there is in the country is not prejudiced by any hostile action from outside. It is a very important trade. On another occasion I alluded to it. I pointed out that it is almost inconceivable that a country like India should have no shipping of its own worth speaking of. I would like to know what the Government have been doing to encourage the growing of a shipping trade in India.

Now, these are only some of the directions in which the Government of India and the Honourable the Finance Member can help the productive capacity of the country, can help India to produce more revenues, and not merely by putting tariffs which must more or less hamper commercial activities of the country. Before I advert to the question which was raised by my Honourable friend, Dr. Ziauddin Ahmad, let me point out what has been the state of the industry of the country within the last four or five years. Take the balance of trade. India being a debtor country, as we know, requiring a large amount for her debt services, it is absolutely essential, unless she is to go bankrupt, that the trade balance of India must be a heavy one in her favour. Indeed the Honourable Sir George Schuster, in his own eloquent words, pointed this out in his speech at the Ottawa Conference. Sir Henry Strakosch, his colleague, also pointed out that India having been a debtor country, we must see that her trade prospers, because that is in the interest of Britain herself. Now, what we find is this. Take the figures from 1929-30 to 1932-33. The imports were:

|            |   |   |   |   |   |   |      |             |
|------------|---|---|---|---|---|---|------|-------------|
| In 1929-30 | . | . | . | . | . | . | were | 233 crores. |
| „ 1930-31  | . | . | . | . | . | . | „    | 158 „       |
| „ 1931-32  | . | . | . | . | . | . | „    | 119 „       |
| „ 1932-33  | . | . | . | . | . | . | „    | 110 „       |

A gradual decline, and, if you look at the exports, you will find the figures even more significant. The exports were:

|            |   |   |   |   |   |   |      |             |
|------------|---|---|---|---|---|---|------|-------------|
| In 1929-30 | . | . | . | . | . | . | were | 311 crores. |
| „ 1930-31  | . | . | . | . | . | . | „    | 220 „       |
| „ 1931-32  | . | . | . | . | . | . | „    | 136 „       |
| „ 1932-33  | . | . | . | . | . | . | „    | 108 „       |

That is to say, if you compare the figures for 1932-33 with the figures for 1929-30, it is one-third! (Mr. S. C. Mitra: "Sound finance!") What is the result? The balance of trade in merchandise—I am giving only the figures relating to merchandise—was this:

|                                                        |   |   |   |   |   |   |            |
|--------------------------------------------------------|---|---|---|---|---|---|------------|
| In 1929-30 the balance of trade in favour of India was | . | . | . | . | . | . | 78 crores. |
| „ 1930-31                                              | „ | „ | „ | „ | „ | „ | 62 „       |
| „ 1931-32                                              | „ | „ | „ | „ | „ | „ | 35 „       |
| „ 1932-33 the balance is against India by              | . | . | . | . | . | . | 2 „        |

Sir, we all realize that India, by the export of her gold, has enabled my Honourable friend to balance his Budget. Sir, I do not wish to say anything more now regarding the export of gold than that. It is unfortunate that my Honourable friend, Sir George Schuster, has found it necessary to establish a conduit pipe between England and India for the gold to flow from India into Great Britain. It is unfortunate, Sir, that

1 P.M. it has fallen to the lot of my Honourable friend to do so. Sir, whatever arguments the capitalists may put forward, I cannot feel easy at the prospect of India denuding herself of all her gold. Gold is a reserve: every country recognises that, and it is a very valuable reserve in times of need. Even in prosperous times, it is very important. Take an ordinary household. If the household is prudent enough, it lays by something for the future. Similarly if there is a certain quantity of gold in the country and in the coffers of individuals, either in its original shape or in the shape of ornaments, it is, as we all know, a reserve and is brought out in times of need. To my mind, it is a disquieting situation that gold to the tune of 70 millions should have gone out of this country between the short period since England went off the gold standard and the rupee was linked to paper sterling. Sir, I am perfectly conscious that to develop the wealth of the country by improving its economic condition, time is needed. It cannot be done in a day. I admit that the Budget has to be balanced in the meantime and we have to make the best of the existing situation. But surely some time or other the Government must make an effort to increase the productive capacity of the country, otherwise Government cannot go on balancing the Budget with the limited resources at their command. For this purpose, not only is a properly thought out plan necessary—I know the Honourable the Finance Member is fully conscious of the necessity of a proper economic plan—but we also need other measures besides. For instance, as my Honourable friend, Dr. Ziauddin, pointed out yesterday, we have to train the people simultaneously in order to fit them to be more efficient producers of wealth. Sir, education is making rapid strides in every country except India. The masses remain illiterate and ignorant, superstitious and inefficient. What about the literate or the so-called educated classes? Dr. Ziauddin, who is an authority on educational matters, has pointed out that what you call the secondary school education is hopelessly defective and it can lead the country nowhere. We shall be told that that is a provincial subject to remedy the situation? Now, Sir, is there any effort being made and, therefore, Government of India is exonerated from all responsibility in the matter. I do not accept that position. The Government of India do recognise their responsibility, because there is an Education Department in the Government of India themselves. The same applies with

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respect to industries, as there is a Department of Industries in the Government of India themselves. Unfortunately, however, they have either no policy or desire to put forward a proper scheme of general education of industrial and technical training.

Sir, I do not think I can usefully take up any further time with the Finance Bill. Let me just point out what procedure our Party is going to adopt. I am not speaking merely of the Independent Party, but, I think, on behalf of the Non-Official Members generally on this side of the House. The procedure that will be adopted is this. We shall make a reasonable estimate of what savings can be effected in the expenditure of Government and then we shall reduce taxation to that extent. In reducing taxation, we shall, first of all, consider what are the taxes that tell most heavily on the poor and men of very limited resources and, in the second place, what are the taxes which cripple the industrial activities of the country. In this connection we are receiving representations from various bodies and persons engaged in various trades as to the taxes which are hampering them in their activities. Now, Sir, having made an estimate of our own, because we have not had the assistance of the Government in the matter as to what further reduction of expenditure is possible, we shall reduce the Tariff Bill in that proportion.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Mr. O. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I do not propose to take much time as I am anxious that we should conclude at least by this evening the general observations that we are making on the Finance Bill. But I am just going to put one or two questions to the Honourable the Finance Member.

Sir, as a layman going through his speech so full of arguments, not only for his side, but also for my side, I thought I might develop some of the arguments on my side which the Honourable the Finance Member has mentioned and combated. I am not convinced of the reasons that the Finance Member has given for the non-prohibition of the export of gold. I know the Honourable the Leader of the European Group invited him to put an export tax on gold and in doing so he and other Members from this side expatiated on the distress gold that comes into the market for sale. Whether distress gold, or for that matter hoarded gold, so far as it is non-monetary gold, I at any rate am prepared to welcome the coming of that gold for sale into the market. I, Sir, am very pleased that on this occasion, owing to the high price of gold, because of the depreciation of the rupee, the hoarded gold and the non-monetary gold came into the market. This is proof that India has not got that very much maligned habit of hoarding. Western economists, as the Honourable the Finance Member is no doubt aware, have in season and out of season in all their writings accused India of having developed the hoarding habit. They had always stated that once gold goes into India, it will

not come out of India. Sir, the habit attributed to the Indian women of wearing golden ornaments and not parting with those ornaments has now been curiously enough developed by the biggest nations and Governments of the world. They are even worse than Indian women from the point of view of love of gold. For instance, the case of the United States of America is a glaring one. Whether it is in the vaults of the western banks, the banks of France or America, or on the necks of Indian women, gold, when it is hoarded, is hoarded gold. It is of no use when it is not allowed to circulate, when the precious metal ceases to be the medium of currency and when it is used purely for ornamental or hoarding purposes. Therefore, Sir, I do not share the opinion or the regret or the lamentations which have been indulged in by Honourable Members regarding the coming out of gold, non-monetary gold, into the market. But I have a grievance which I must very strongly express that Government have not used this opportunity to mobilise that gold for the purpose which they have themselves in view. For, Sir, ever since the Currency Commission reported, ever since we read the Hilton-Young Commission report, the one subject that has been very much to the fore is the subject of a Reserve Bank for India. And the Round Tablers gave a lot of attention to this subject. Lord Peel spoke upon this subject, Lord Reading spoke on this subject, and so has Sir Samuel Hoare spoken upon this subject. We have the Finance Sub-Committee report of the third Round Table Conference in which it is stated that a certain amount of gold must be accumulated; there should be an accumulated reserve of gold before a Reserve Bank is established. And a Reserve Bank must be established before the country is to have financial control and before you think of self-government or responsible government for India. Sir, that being the condition precedent, I would ask the Honourable the Finance Member to tell us why he did not take this splendid opportunity brought about by the depreciation of the rupee and the rise of the price of gold in terms of that rupee as a result of which every one in the country who has been hoarding gold, either in the shape of ornaments or otherwise, brought the gold into the market. Was it not the time then, Sir, for Government to place an embargo on the export of gold by private individuals? I do not for a moment say that Government should have compelled private individuals not to part with gold. No; they could have encouraged private individuals to part with gold, but there could have been no greater occasion than this.—I at any rate do not know of a greater opportunity within the last so many years.—when so much of gold came into the market. And, instead of placing an embargo, instead of mobilising the reserves specially in view of the Finance Member's coming Reserve Bank Bill, the resources of the country have been dissipated. Sir, I wish that Government had taken something in the nature of a mountain-top view of the future, mobilised the resources, bought all the gold and then dealt with the situation themselves. They could have either parted with gold if they thought it necessary or entered into certain transactions keeping the gold in this country, as other countries did in other times when they placed embargoes on gold.

**Mr. K. P. Thampan** (West Coast and Nilgiris: Non-Muhammadan Rural): They wanted to help England and save the situation there.

**Mr. O. S. Ranga Iyer**: My Honourable friend, Mr. Thampan, says that they wanted to help England to save the situation there. I, as a student of finance, recognise that India's financial credit is dependant on

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England's financial credit, and, so long as I am committed to a programme and a policy of self-government within the Empire, I at any rate will not deny help to England if England wanted that help and so long as . . . . .

**Mr. B. Das** (Orissa Division: Non-Muhammadan): If we are in a position to give that help.

**Mr. C. S. Ranga Iyer:** My Honourable friend, Mr. B. Das, represents the view of the Independent Party to which he has the honour to belong when he says: "if we are in a position to help England". My whole position is this. *We could have helped England without sending the gold away from this country.* So long as India was part of the British Empire, there was no necessity to send this gold out of India. So long as India had gold in her banks, so long as the British Government in India preserved that gold, so long as gold was not dissipated, the question of helping or hindering England does not arise.

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur cum Orissa: Muhammadan): Which side did you vote for when this question about the export of gold was raised in Simla?

**Mr. C. S. Ranga Iyer:** The Honourable Member should brush up his memory. Which side I voted he ought to know, and which side I spoke for he ought to know. He should not ask me to waste the time of the House answering questions, because I at any rate do not want to indulge in the luxury of taking up much time of the House. Nor do I like these interruptions. I am talking on a difficult subject; the interruption is very easy for Honourable gentlemen on the Independent Benches, like Mr. B. Das and Mr. Maswood Ahmad, but the subject is rather a difficult one for me. I am a layman and I do not lay claim to expert knowledge, and all these interrogatory inflections only take away my ideas from the subject. I voted in Simla on the right side, and I speak today on the right side, and I believe that even the Honourable the Finance Member in his Budget speech, if the Honourable Members had read it carefully, had tried to meet our point of view, and if they were present when I began speaking, Sir, the Honourable gentlemen would have understood that I said that some of the observations that the Honourable the Finance Member had made by way of meeting our arguments did not convince me. I wanted some light to be thrown on these points. I ask for light and more light. I hope the Honourable the Finance Member will realise that he should not open himself to the charge at a later stage that the *bona fides* of the Government are in question, because they dissipated the gold resources of this country and they did not accumulate and acquire sufficient gold for purposes of introducing a Reserve Bank. (Applause.)

**Mr. C. F. Grant** (Burma: Nominated Official): Sir, I feel a great deal of diffidence in addressing the Assembly on this matter, as I confess I did not anticipate that a speech on the subject of the separation of Burma would be made at this morning's debate. I do not know whether the complacency with which the House received the remarks of my Honourable friend U Kyaw Myint, was due to astonishment, or to the fact that his oratorical arts so entranced them that they did not perceive that there was some

difficulty in connecting these remarks with the Finance Bill. U Kyaw Myint himself, Sir, was kind enough to indicate that he himself had felt some difficulty in bringing his obsession, as he termed it, into the discussion, and therefore, Sir, I do not propose to inflict myself, in my answer to him, on this House for a very long period. I shall naturally leave to the Honourable the Finance Member that part, the somewhat short part, of the speech which dealt with financial questions. I shall only say that I anticipate that the Honourable the Finance Member will find no difficulty in agreeing with U Kyaw Myint in his confession that he is not an expert in financial matters. I am not here to speak in any way as an advocate for the separation of Burma—nor to open, nor to continue a debate on separation. I want only to deal with what I would like to call another obsession of my Honourable friend, and that is his obsession against Sir Charles Innes.

Now, I believe I am speaking to an Assembly in which during long service Sir Charles Innes earned respect and liking, and, therefore, I trust that my remarks will be received with sympathy. I do not say that in what the Honourable U Kyaw Myint said today there was anything to which one can reasonably take exception, but in parts it had an unfortunate connection with a previous speech of his from which I believe he quoted today and in which he made an attack upon Sir Charles Innes which was resented in Burma. It was also regretted that no answer was made at the time. I am not able to traverse at length that speech, because I only received the volume in which it is printed when I had already got on my feet to speak. I had no idea that this question would arise today and, therefore, had no references ready. I will, however, only say that in Burma that attack was regarded as incorrect in fact and as unjustifiable and bitter in tone.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Which part of Burma may I ask?

**Mr. C. F. Grant:** I am sorry that as I only have just received the volumes of speeches, I do not think I can expect the House to wait while I search for the references. I assure Honourable Members that the attack is as I have described it, and I think that Honourable Members who were present on the occasion of the attack would not have any difficulty in identifying the passages.

**Sardar Sant Singh** (West Punjab: Sikh): Will the Honourable Member kindly read that part of the speech?

**Mr. C. F. Grant:** I regret my inability to comply, Sir. I had every intention of quoting, but as the volume has only just come from the Library, I am not in a position at the moment to do so.

The next point which I have to deal with is that I congratulate my Honourable friend, U Kyaw Myint, on his frankness and the change of tone in his speech today. I have no exception to take to what he said: he is as fully entitled to his opinion in these matters as I am to my own. I will, however, mention one matter in which he did seem specifically to criticise Sir Charles Innes, and that was what he termed the inadequate representation of the Anti-Separationist Party or Parties at the Burma Round Table Conference. Well, Sir, he admits that they had four representatives, and that three of them changed their minds. If he had had

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eight representatives, would he have been more consoled if six of them changed their minds? In fact, if the whole of his party had been at the Round Table Conference, the Party might have practically disappeared. He has every reason to be thankful that he had so small a representation at the Burma Round Table Conference. It has been a matter for regret that these attacks on Sir Charles Innes were not answered at an earlier stage, but there is this advantage in the delay that my answer to them is in no way official *apologia*. Sir Charles Innes has departed from Burma, I myself have no great stake left in the province and I am personally glad to have this opportunity of defending him. I think that the sympathy of this Assembly will not be extended to any one who attacks a Governor like Sir Charles Innes, whose devotion to duty and zeal for the province, during difficult times, was the subject of admiration to us all. My Honourable friend, whom I am answering, then passed on to deal with the meeting of the Burma Legislative Council in December and subsequent events, for which it is not possible to lay any blame on Sir Charles Innes. He was perfectly frank and I congratulate him greatly on the frankness of his attitude concerning these events. As a matter of fact, Sir Charles Innes had left the province before the Resolution, that somewhat strangely worded Resolution, was passed by the Burma Legislative Council. Now, Sir, the Honourable gentleman condemned his fellow countrymen in this matter. I am not greatly concerned to defend them; but I have always looked on that Resolution with a somewhat indulgent eye. I have regarded it as a result of fifteen years of political education in which the Burmese have done their best to copy the most approved European standards—I mean that in times of doubt and difficulty they have endeavoured “to find a formula”. They found a formula and this time no one can understand it. But some of the formulæ which we have heard of at Conferences in advanced Europe might very well answer the same description. So I trust that Honourable Members will not be too hard on the state of political education in Burma, because in this case the disjointed nature of the framework is somewhat more visible than in the more polished efforts of European statesmen. I think, Sir, if you read that Resolution, you will find in it what you will find, expressed or implied in many other post war agreements,—namely, each party’s desire that its own view should at least find a place, so that it might claim that that is the main view and the one deserving general acceptance. Of course it is difficult to interpret a Resolution which contains at least four different and conflicting views.

Just one word to end with. My Honourable friend opposite took a somewhat pathetic farewell of the Assembly, and said he was returning to Burma to meet his fate, whatever might be in store for him.

U Kyaw Myint: But I will come again.

Mr. C. F. Grant: I think I remember a somewhat similar passage in his speech in September, 1931, when he went back to face wild beasts at Ephesus in the cause of anti-separation. Yet we see him here cheerful and in good health still, and, I am sure, this Honourable Assembly hopes that next Session it will see him here again, as cheerful and as persuasive as ever—and with another obsession gone. (Cheers.)

Mr. A. H. Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Sir, one of the striking stories with regard to the public finances of India which we have just listened to on the floor of this House this year was what my Honourable friend, Sir George Schuster, told us the other day when he introduced his Finance Bill. He gave an excellent review of the budgetary position at this most difficult period when a wave of economic depression was passing all over the world. Sir, a depression of this unprecedented magnitude must put any Finance Minister at his wits’ end to find ways and means to balance his Budget. Sir George Schuster’s emergency plan of September, 1931, produced budgetary equilibrium for the two years 1931-32 and 1932-33; he has, therefore, naturally presented to the House the same prescription which had proved successful in arresting the disease and has been successful in placing the public finances of India in a sound position. But the cost of the prescription—the unbearable taxation—has bled white the rate-payers,—be they white, black or brown,—and it was the last straw on the camel’s back. It has led with alarming rapidity to the fall in trade in every commodity and has driven firms and individuals to bankruptcy and to utter ruin. That India can no longer bear this heavy taxation is admitted by all. On the top of that this surcharge of 25 per cent. on the burden of the income-tax and the customs is causing havoc in the trade of this country, the like of which, I am sure, was never seen before. The other day the *Hindustan Times* well depicted it in a cartoon about the goose that laid the golden eggs being knifed with a surtax of this extraordinary character. But, how long, may I ask, can the Government pursue this policy of taxation to obtain budgetary equilibrium? It has already bled white every one in India and it can bleed no more. Like the Railways in India which look for some miracle to increase their earnings, let not the Honourable Sir George Schuster cling to deceptive hopes. If he thinks that the depression is passing away or that the revival of trade is in sight, he is awfully mistaken. The condition of the world has altered and he would be wise if he adapts himself to the existing conditions without hoping for any appreciable recovery.

A ten per cent. cut in the salary or reduction of clerical establishments or some such retrenchment is not the remedy. The axe of reduction must fall on that monstrous vulture known as the “defence of India.” That vulture is devouring all the resources of this country without giving any appreciable return. Sir Walter Layton, in his admirable report, has spoken of this expenditure as staggering. Such proportion is not to be found in any country in the world. With your permission, Sir, I would like to place before this House a few sentences from that report which conclusively prove that the axe must fall on the military expenditure first and that axe must be a heavy axe. He says:

“An outstanding feature of this summary is the high proportion (62½ per cent.) which current expenditure on defence bears to the total expenditure of the Central Government—a higher proportion in fact than in any other country in the world.”

Then, he goes on to say:

“On the other hand, it is to be remembered that the extent to which taxation is felt as a burden depends very largely on the objects on which a Government spends its revenue. Thus, it has been frequently pointed out that taxation for the purpose of paying interest on an internal debt is economically speaking a transfer of wealth within a country, which may—it is true—hamper enterprise, if the method of raising the revenue is unwise, but which need not do so or affect the total saving power of the community. Again, wise expenditure on social services and particularly on health

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and education should be remunerative in the sense of increasing the wealth-producing power and, therefore, the taxable capacity of a country. Security is of course essential, if production is to develop; but it cannot be claimed for expenditure on defence either that it is a mere redistribution of income or that it promotes productive efficiency. Indeed economically speaking, it is the most burdensome form of expenditure, and this is particularly the case where, as in the case of India, the Army contains a large element drawn from elsewhere. . . . and it would be reasonable to assume that, even if the total expenditure of India were increased, the burden would be more tolerable and more readily borne provided this particular charge were diminished.

But apart altogether from the question of other forms of expenditure in India, the defence charge is undoubtedly high . . . . Again, the total is not only high in itself and as compared with other countries, but it has also greatly increased as compared with the pre war situation. India, in fact, has not obtained any relief from the greater sense of world security, which has succeeded the World War. On the contrary, her defence expenditure has risen even after allowing for the rise in prices and has grown more rapidly than in other parts of the Empire."

Let us see what Sir George Schuster says about this. He says that  
3 P.M. the provision now made in the army expenditure has been cut very fine, namely, the military expenditure has been reduced from 55 to 46 crores, and that thus there is a reduction of nine crores. Now, what is this nine crores? One crore has been reduced, says Sir George Schuster, due to fall in prices of commodities and eight crores, if I may be allowed to say so, are for schemes which have been held in abeyance. As a matter of fact, there has been no reduction at all, because eight crores represent the money intended for schemes which are held in abeyance and one crore has been reduced owing to a fall in prices . . . .

**The Honourable Sir George Schuster** (Finance Member): My friend is entirely incorrect in that statement. I find it difficult to follow his argument, but the total cost of the so-called re-equipment programme, to which, I think, he is referring, was to be ten crores, of which something like eight crores have already been spent so that the programme has nearly been completed.

**Mr. A. H. Ghuznavi:** I stand corrected, but my impression was that eight crores have not been spent on account of schemes which have been held in abeyance and that the reduction of one crore is due to fall in prices.

**An Honourable Member:** No, that is not right.

**Mr. A. H. Ghuznavi:** I have not before me the the speech of Sir George Schuster delivered at the Ottawa Conference where he deprecated the military expenditure and characterised it by saying that it was eating into the very vitals of India. It is really too much, Sir, having regard to the Report of Sir Walter Layton, and I feel that Sir George Schuster should apply the pruning knife to the military expenditure in the first instance. I do not agree with my Honourable friend, Sir Abdur Rahim, when he suggests that the military expenditure should be reduced by six crores, because, in a total expenditure of 46 crores, to make a reduction of six crores means nothing. Military expenditure, Sir, as I have already pointed out, is still very high, and the axe must be applied very drastically, and the expenditure should be reduced very substantially.

The next Department to which the axe should be applied is the Railways. The deficit of nine crores in the Railway Budget can be met by efficient and economical administration of Indian Railways and by avoiding duplication of expenses which alone will show a saving of over seven or eight crores, and I shall presently show it. Over one crore can be saved by the amalgamation of the East Indian and Eastern Bengal Railway Administrations. And, similarly, by amalgamation of other Railways, by shutting down all the second class unprofitable collieries, by a judicious expenditure on coal purchase, and by maintaining efficient control over the stores, the entire deficit can be met. Have you heard, Sir, of any country in the world having duplicate offices across the streets and running two different State Railways? In Calcutta, there are two huge Railway establishments, the East Indian Railway and the Eastern Bengal Railway,—both are State Railways and both have separate offices with separate establishments across the road. As I said during the Railway Budget discussion, the whole of the medical machinery in Bengal can be run by one Surgeon-General, but, in regard to these two Railways there are two separate Chief Medical Officers, with duplicate offices and duplicate establishments.

The next point I wish to refer to is the alarming rapidity with which gold is being exported from this country, and it is causing great apprehension in our minds. No less than 107 crores worth of gold has already gone out of India, and, if I may quote Sir Leslie Hudson's speech which he made on the subject and which has the unanimous support of every Honourable Member in this House, he said:

"The Honourable Member has stated that he is unable to interfere with the export of gold and that he would hesitate to take any steps which would restrict the right of the individual to do as he pleases with his own possessions."

That is what Sir Leslie Hudson said, and he was quite correct, but what is happening in America today? Have they not placed an embargo on the export of their gold? Though that country possesses more gold than any other country, they have stopped the export of gold. But here the Finance Member is unable to do so, and the country has been bled white by the export of huge quantities of gold; still there is no embargo placed on the gold export, because, in that case, it would give the Government some help to balance their Budget and also a certain amount of relief to the overburdened tax-payers.

Sir, there is another matter that I wish to bring to the attention of the House, and it is about the loss in the Posts and Telegraphs Department. Sir George Schuster in his speech said that the loss in this Department has been 57 lakhs, and one need not wonder at this loss. The Posts and Telegraphs Department is, strictly speaking, a commercial concern, and one should like to know what commercial experience is possessed by those who run this show.

Sir Bhupendra Nath Mitra, my Honourable friend, Sir Frank Noyce's predecessor, by an extraordinary, unnecessary and unwarranted manner raised the salaries of postmen, overseers and post masters and subordinate staff to an extent that it has made it impossible for mufassil and village post offices to pay their way. Sir, I have a statement in my hand which refers to the revision of pay of the departmental branch post masters, overseers, postmen and others in the mufassil. A branch post master, who was getting Rs. 24, was immediately raised to the grade of Rs. 50 to Rs. 100 in 1927. Similarly, an overseer, who was getting only Rs. 22,

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was immediately raised to Rs. 50 in 1928 and the maximum of the grade was raised to Rs. 100. Similarly, Sir, the peons were getting Rs. 13 only and their scales were raised to Rs. 30. And what is the result? For the purpose of calculation of cost of an office the average of the time scale is taken into account. This being Rs. 30 for a postman now, and Rs. 67 for a village branch post master of a departmental office, most of the offices are now found not to be paying their way. Ten years ago, if I remember aright, a village post master used to get Rs. 13 to Rs. 15 and a postman used to get Rs. 6. Apart from that, owing to the increase in the salaries of postmasters from Rs. 23 to Rs. 65 and of Rs. 30 to peons the village post offices are not paying their way. They cannot be found to pay their way. But that does not end there. What they have done now is this. They have dismissed the postmen, and the village postmaster has got his post office where he sits, and the people have to go to the post office to get the letters. That is the result of the withdrawal of the departmental postmen and their replacement by extra departmental delivery agents. An ordinary temporary cooly is appointed on Rs. 3 a month and he goes out only once or twice a week to deliver letters, but he cannot deliver registered letters or money orders. The people have got to go to the post office for that purpose. I remember the postman who used to deliver my letters in Calcutta was surprised to hear from me that he had got an immediate jump to Rs. 40 a month from the Rs. 15 he had been getting. He would not believe me when I said that that was a fact. What is the result? Postmen get between Rs. 40 and Rs. 50 a month while passed I.A.'s and I.Sc.'s cannot get even much less and the former are all illiterate, and one need not wonder at the increase in unemployment. There was a Retrenchment Committee sitting over the Posts and Telegraphs Department of which my Honourable friend, Sir Cowasji Jehangir, was the President if I am right. (An Honourable Member: "Yes.") I do not know if this state of affairs was noticed by them—a jump from Rs. 15 to Rs. 40.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): If I may point out, we did not go into the pay of each individual postman in the post offices throughout India.

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhammadan): And it is not possible too.

**Mr. A. H. Ghuznavi**: What is the retrenchment that you recommended? As far as I understand, your recommendation was to reduce the travelling allowances of the Postal Superintendents and that reduction meant a saving of only a lakh of rupees, while they have stopped travelling, because they refuse to travel in the second class. They had been enjoying the privilege of travelling first class for years, and the result has been an increase in thefts and defalcations in post offices, and I will demonstrate that by facts and figures. That is the retrenchment which the Retrenchment Committee have suggested—that the Postal Superintendents should draw only second class travelling allowances. And the Postal Superintendents consider it derogatory to travel second class along with their subordinates.

**Sir Cowasji Jehangir**: Is that a fault of the Retrenchment Committee?

**An Honourable Member**: I also travel second class.

**Mr. A. H. Ghuznavi**: You must put yourself in the position of the Superintendent of Post Offices. (Laughter.)

**An Honourable Member**: Why should he feel it derogatory to travel second class?

**Mr. A. H. Ghuznavi**: It is not a question of derogation. Let me explain the position first and then you may comment. You may then say whether I am right or wrong. Fortunately, Sir Thomas Ryan is now the Director-General of Posts and Telegraphs. He was in the year 1924 Chairman of the Posts and Telegraphs Department Committee, and this is what he said in his report:

"The curtailment of inspections and of the movements of the Postal Superintendents may have produced some small economy by saving in travelling allowances, but the increase of frauds and consequent progressive demoralisation of the staff seems to be a high price to pay for this result. Apart from direct restriction of his movements, the recent revision of travelling allowance rates has resulted in reducing the amount of travelling allowance which a Superintendent can recover from the Government, and this further tends to confine him to the headquarters with the result that the efficiency of his supervision and control, and his personal knowledge of his subordinates, have greatly depreciated. The Committee are of opinion that these tendencies are all in the wrong direction and that the value of the work of a Postal Superintendent varies inversely with the time he spends at his headquarters.

Apart from these regular inspections . . . the Committee are of the opinion that Superintendents should be encouraged to move about in their divisions as much as possible . . . Officers must be trusted, and to prevent an officer from carrying out his duties because he is suspected of being anxious to do so only in order to earn travelling allowance is a pitifully short-sighted policy. It may result in the saving of a few rupees in travelling allowance but it wastes the salary of the officer, a far larger item, by depriving him of half of his value and efficiency, and no true economy results. The existing travelling allowance rules are not such as to encourage touring for its own sake, and it can safely be left to heads of circles to see that Superintendents arrange their tours in such a way that travelling allowance charges are kept at a minimum."

They have reduced the travelling allowances of the Postal Superintendents to second class, but they have not touched the Telegraph Superintendents, most of whom are Anglo-Indians.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): What is the pay of the Telegraph Superintendent as compared with that of the Postal Superintendent?

**Mr. A. H. Ghuznavi**: The same. The same grade. They were put on the same category and the same grade. But they did not touch the Telegraph Superintendent, but touched only the Postal Superintendent. I am sorry Sir Thomas Ryan is not here; otherwise he will be able to confirm my statement.

**Sir Cowasji Jehangir**: Do you mean to say that the Government did not carry out the recommendations of the Committee, or that the Committee recommended differentiation in treatment? What allegation are you making?

**Mr. A. H. Ghuznavi**: The fact is that the Superintendent of Telegraphs has not been touched, while the Postal Superintendent has been.



**Mr. Gaya Prasad Singh:** By the Retrenchment Committee or by the Government?

**Mr. A. H. Ghuznavi:** The fact is that their allowances have not been touched.

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): If my Honourable friend will read . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member has not given way.

**An Honourable Member:** He does not know how to give way.

**Mr. Muhammad Yamin Khan:** If you will read the report, you will find that the Committee recommended equal treatment.

**Mr. A. H. Ghuznavi:** My friend seems to have a sharp memory to remember things that happened more than a year ago. There is not a word about the Telegraph Superintendents in the report, I may tell you that for your information.

Sir, I must now plead for my own province. Bengal must be bled for the benefit of other provinces. The Honourable the Finance Member has been making a present of 40 and 50 lakhs to the four Aden Salt manufacturers at the expense of the consumers of Bengal and Bihar, by imposing an additional duty of Re. 0-4-6 per maund on the belief that Government were giving protection thereby to Indian salt manufacturers at Karachi, Khewra, etc. Of these four salt manufacturers one is an Italian Company and three are Indian, but they belong to the Gandhi and Company group. Indian salt manufacturers have up to now derived no benefit out of this taxation. It is the Aden salt manufacturers that are getting this benefit. When the Honourable the Finance Member will come to this House for an extension of this Act for another year, I will come out with my facts and figures. In spite of the opposition of the Governments of Bengal and Bihar, they are continuously doing it and their object has not been achieved and they have increased only the cost of the consumer, and 25 per cent. of that goes to the Gandhi fund.

**Mr. Gaya Prasad Singh:** Will you make yourself clear? You said the money goes into the Gandhi fund? ...

**Mr. A. H. Ghuznavi:** I will make myself clear outside this House.

**Mr. Gaya Prasad Singh:** You are making a serious allegation and you refuse to substantiate it on the floor of this House.

**Mr. A. H. Ghuznavi:** I cannot waste the time of the House.

**An Honourable Member:** The House does not mind it, if you will give the facts.

**Mr. A. H. Ghuznavi:** Take, again, the question of wheat. Here, again, Bengal must be penalised. The consumers of Bengal must be penalised in order to benefit the Punjab. The Honourable the Commerce

Member has brought forward a Bill for extending the Wheat Duty Act. This affects only Bengal and Bihar. Bengal must always be bled to serve the interests of Bombay, the Punjab, and every other province except Bengal. I am sorry, my friend, Mr. Mody, is not here, but he will be coming soon with a beggar's bowl in his hand and at once the Commerce Member will give him an assurance of additional protection at the cost of the consumers of Bengal in order to benefit the millowners of Bombay. Not content with a 50 per cent. duty on Japanese goods, they want more. Every one wants to bleed Bengal and get rich at her expense. What have the Government of India done for the Bengal industries? What have they done for the coal industry? Coal is being imported from South Africa. The Bombay millowners have killed the coal trade of Bengal. (*An Honourable Member:* "How?") When Mr. Mody comes here with his beggar's bowl asking for more protection, you will know how. It seems that the Government of India have no regard for Bengal. They are in terror of Bombay. The moment Bombay asks for anything, it is given.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand** (Nominated Non-Official): Will Bengal agree to the revision of the Permanent Settlement?

**Mr. A. H. Ghuznavi:** It is not for Bengal to agree. If you treat all the agreements and charters as scraps of paper, you can do so. There is an agreement about which my friend seems to be ignorant. With these words, I close my speech in the hope that Bengal would get at least some sympathy from the Honourable Members.

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I believe, I was assured so yesterday, that in the discussion of the General Budget and the Finance Bill, non-official Members can range in their discussions from the winds of heaven to the thoughts of men. But there is one trouble about this. Whatever you may say, nobody listens to you. This was dissuading me from standing on my legs yesterday but I remembered late in the evening what our Lord has said: "Action is thy duty, the fruit is not thy concern." Action in this case is speechifying. As regards the fruit, the present Government of India stands in the position of having been in the lap of the Almighty and, therefore, it is for them to decide whether they shall give my fruits or throw the seeds back to my face. I was fortunately fortified in my attempt to speak by the observations of the venerable Sir Abdur Rahim who has been in the public life of British India much longer than I have been. He said: "Don't care for what they say. You go on hammering and hammering until you get your grievances redressed and someday they will have to be redressed." Fortified by these two considerations I have ventured to stand on my legs to submit a few observations upon the very important point upon which I feel a great deal and that is the grievance of the agriculturist. Times out of number, I have troubled this House with the grievances of the agriculturist, and so far I have not had one act of assistance, one word of encouragement, not even a smile of favour, but I am not going to be deterred. So long as the agriculturist's problem is not settled rightly, so long will that problem come before this House time after time, until it is redressed and redressed correctly, because there is high poetic authority for the position that no question is finally settled until it is settled aright. I have read, with

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such care as I am capable of, the speech of the Honourable the Finance Member and there is not a word of sympathy for the agriculturist. I believe I am right in saying that his depressed condition and the miserable plight to which he has been reduced, not only in one province, but throughout India has not melted his hard heart, and driven him to say one word of sympathy, let alone one act of sympathy.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): May I correct the Honourable Member? The Honourable Sir Fazl-i-Hussain has arranged for two meetings of the Imperial Council of Agricultural Research.

Raja Bahadur G. Krishnamachariar: I was coming to that a little later. I am at present on the speech of the Honourable the Finance Member. There is not one word of sympathy in his speech for the poor agriculturist. On the contrary, he has been patted on the back for things which he does not deserve, for things which do not exist. He says: "Oh, the agriculturist is a good fellow. He need not be troubled about." He speaks of trade, trade depression, and so on, and these occupy three-fourths of his Budget Speech. But the position of agriculture has been dismissed with a paragraph which my Honourable friend from Burma read out and which I too shall refer to a little later. I would now invite the attention of the House to paragraph 5 where my Honourable friend begins with a statement regarding the economic position. Having stated that the economic position is what is known to everybody else, he says that "the monsoon was fairly normal for India as a whole, and that, so far as climatic conditions are concerned India might have been enjoying a year of normal prosperity". But there is a little foot-note to that sentence which is rather worth reading, namely:

"The monsoon was normal for India as a whole except in Bihar, the East United Provinces, and North Madras coast."

That is the first trouble about it. The monsoon was normal; it might have been a year of prosperity; but at least in three big localities it was not normal:

"Otherwise, though lighter than usual, it was fairly well distributed and fortunately rainfall in September was above the average."

Now, what I cannot understand is that if the monsoon was lighter than usual, your cultivation cannot go on, so how can there be prosperity?

"The sowing conditions for monsoon crops were only moderately favourable",

and yet upon the principle of averages the year would have been one of normal prosperity:

"Sowing conditions for cold weather crops were generally favourable. The winter rains have been below the average and the yield of the crops now on the ground will depend to a greater extent than usual on the weather during the next few weeks. Slight frost damage in January has been reported from a number of places."

Now, putting all these things together and reading them along with the original proposition made in the body of the paragraph, you will find that after all the statement that it might have been a normal year of prosperity is not quite tenable, putting it at the very lowest.

Next, the purchasing power has suffered terribly from the world conditions and has not improved. At first they thought that there would be a substantial rise in prices owing to the detachment of sterling from gold, but that was only a temporary measure. They did so for a short time but the prices have again begun to fall, with the result that it affects,—whom? It affects me. It affects the economic condition of the agriculturist who forms 80 to 85 per cent. of the population. Sir, the anticipated rise in rupee-sterling prices has not materialised. The position, broadly speaking, is that after an initial rise, prices at the end of the year under review showed again a falling tendency, with the result that although the average level of prices on the basis of which India's exports during 1932 were slightly higher than during 1931, the general level of prices at the end of the year had fallen below the previous level. Now with regard to this general level of prices, if I had the time, I should have taken this House through the history of how this general level of prices worked, but there is a nice little book that came into my hands recently—"The Intelligent Man's Guide through the World Crisis"—written by Cole. This book deals with the question of the general level of prices, and he points out that there is no such thing as a general level of prices existing, because the cropping conditions are different, because the qualities of crops grown are not the same and the wholesale prices depend upon whether you export them out of the country or export them internally. These and a few other considerations he has shown, and he has come to the conclusion that it is impossible to say what the general level of prices is. The Honourable the Finance Member says:

"The most that one can say is that countries with currencies linked to sterling have fared much better than those which are on a gold basis."

Now, Sir, there is a little story which, I do not know if I can trouble the House with, and that is that two Brahmins went for attending the last illness of a rich man. Now, among the Hindus it is supposed to be a good thing to make gifts of cows when a man dies. Of the two men one man got a cow and the other did not get any. The man who got it came home and a friend asked him: "How many did you get?" He said: "Everybody got one, but I got three." He was asked: "You have got only one, how do you say you got three?" He said: "My neighbour did not get any. That means two for the two and I got one, that means two plus one three." That, Sir, is the satisfaction that I am asked to reap from this position. It began with a year of normal prosperity. It went on to a condition which made the position very very bad and then it ended by saying: "Never mind, be satisfied that you are much better off than other countries and, therefore, you had better go on".

Then there is a standard upon which my Honourable friend, the Finance Member, bases his argument and that is the consumption of what he calls "articles of necessity" to the masses, namely, kerosene, salt and cloth. Well, I believe the census has shown an increase of a very large percentage of the population and the standard of comparison my friend took was the average of the previous ten years and the consumption within the last year or 18 months. It does not appear from this paragraph whether due allowance has been made for this increase in the population, but there is another matter which has got to be considered. Now, these kerosene people have been going about not only in British India, but also throughout the Indian States. There they have been spreading their nets and I suppose the kerosene oil they take into the Indian States has got to come from British India or a British Indian port and then the

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figures upon which or from which the Honourable the Finance Member appears to have made a calculation (I am speaking subject to correction) are those relating to what appears at the ports of disembarkation where these things are imported and from where they are brought into the interior. Now, if you take that into consideration and, as regards the consumption of salt, I do not know whether that salt includes foreign imports into British India, I am not at all sure that these things are a correct indication of the position. I come to the last portion of his speech, leaving aside this gold export business which has been, if I may say so without disrespect, repeated to death by almost every speaker here. But, before I come to that, there is one little statement here and I am not sure whether it is correct. Unfortunately I have not been able to lay my hands upon the reference: that is where he sums up his own conclusion on the review of the agricultural position and he says that "for my own part the main impression gained by a study of what has been happening during these last two years of terribly difficult times is one of admiration and wonder at the way in which India and her people have adjusted themselves to the emergency". Now, frankly, Sir, I do not understand what that sentence means. How else does he expect the people of India to go on than as they have done now while they are in a state of miserable plight? They are not, of course, dead, I am perfectly sure, but surely they are almost on the verge of suffering and they cannot stand very much more suffering. That is what you mean by saying that India and her people have adjusted themselves to the emergency. Then they say that where you cannot grow one kind of produce, they have substituted it for another and in this connection they say:

"To some extent in certain cases such as food crops, Government policy has been to find out alternative crops. \* \* \* Linseed is another important alternative crop for which possibilities of an increased outlet have been opened out by the Ottawa Agreement."

I am speaking from memory, but the report that has been submitted in connection with the Ottawa Agreement is that there is absolutely no chance in the near future of our linseed export displacing the export from Argentine. It will take some time and even then the result is problematical. This is the statement which I remember to have read in connection with the position of the linseed and consequently it is not a very current one. Then there is another statement made with regard to groundnuts:

"This crop has become in Madras a money crop of first rate importance and is becoming an alternative crop to cotton of growing importance in Bombay and Berar."

So far as Madras is concerned, I am afraid my Honourable friend has not been served properly. It is true, groundnut is a money crop and it has been grown in very large quantity. But there is a slump in the market and we cannot sell our groundnut. Where we got, for instance, Rs. 3 or 3½ for a unit, we have not been able to get even a rupee and a quarter with the result that most of us have ceased to grow groundnut excepting those people who make oil out of it and send it to England. That is the position with the alternative crop of groundnut so far as Madras is concerned, and I do not think it is a happy one. Then, Sir, there is another statement which says:

"Now, it is difficult to trace exactly the complete economic effects of these adjustments, but one conclusion is probably justified and that is that the poorer classes and particularly the wage-earning classes whose wages have not been reduced proportionately to the fall in value of local food products are at present better fitted than ever before."

Now, I do not know what justification is there for that statement. Perhaps it is based upon the position that, because the prices of the food-grains have gone down, the man with the same wage is able to supply himself with the food material more than he was able to do when the prices were standing at a high level and consequently probably he has been better off. That, in short, is the agricultural position. May I respectfully ask what have the Government of India done in connection with the relief to be given to the agriculturist? I know there was a Royal Commission on Agriculture which made its report in the year 1925 or 1926. It is now eight years since that report was submitted, and what has been done? There is only one thing that I know that has been done tangibly, and that is the creation of the Imperial Council of Agricultural Research. Sir, these Commissions are a roundabout way of finding out what you know exactly. I am not talking the language of convention, nor am I using any figurative language, but there is a little pamphlet issued by the Government of India by a gentleman of the name of McKenna. He was, I believe, connected with the Agricultural Department of the Government of India for some time and he has written a very small pamphlet called "Agriculture in India". If you read it carefully and compare its conclusions with the conclusions that have been arrived at by the Royal Commission on Agriculture after two or three years of their peregrination, you will probably find that the same ideas had already been stated by Mr. McKenna. No doubt there is a good deal of elaboration here and there; no doubt there is an expenditure of three lakhs of rupees which is given on the title-page of their report. Now, what has been done? They always begin by saying that already a great deal has been done, but still greater work has got to be done. But what has been done and what has not been done is only known to us.

Now, the most important recommendation that these people have made is about the seed farms. Nothing has been done about these seed farms in the country excepting in one or two places and the result has been a very curious one. Ordinarily, the cultivator used to reserve out of his crop a small portion to be utilised as the seed for next year, but the moment these seed farms came into existence he began to eat his seed, because the produce was not sufficient for his needs and he thought that he would get his seed from the seed farms at an expense of a few annas more. Of course, the seed farm cannot be expected to supply seed to every agriculturist, with the result that for the first year or two there was a terrible wrangle over the seed and very uncomplimentary expressions were used. That is the first result of the Agricultural Commission. Nothing has really materialised.

The next question is about the manures. This report says that the Department is not in a position to tell the agriculturist the manurial value of so many materials that are available in the country. The old stock argument that cow-dung manure is the best manure, but it is unfortunately used by the villager for fuel purposes and, therefore, it is not available for agricultural operations is mentioned there. But who is responsible for this? If you go to the districts, you will find that the poor villager cannot have even those shrubs which will never be of any use to the Forest Department nor dare he cut any branches from any trees in order to burn his fireplace. The result is that as he has got to live anyhow, he uses the cow-dung for the purpose of fuel. Times without number representations have been made, but nothing has come out of them. Not long ago, there was a very influential representation

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made that manurial products should not be exported. They did not, however, listen to it and they have not prohibited the export of manurial products such as bones, oil-cakes and materials of that sort. Now, Sir, under those circumstances perhaps, if the Finance Member or somebody else is so inclined, he might tell us where is the light that we can see in order to relieve the sufferings of these long-suffering agriculturists. It is perfectly true he has been suffering and suffering, but some day that suffering would turn into an awkward position. I am not threatening anybody. But, I feel it and I know what the position will be and what the position will be leading to. And if you find even the Madras Government putting off the collection of their revenue for two or three months, you can very easily understand the position to which the agriculturist has been reduced.

Now, Sir, on the last occasion I had spoken, at least to some extent, about taxation. But there is only one point to which I have to refer and that is that with reference to a statement made by my Honourable friend, Mr. Bajpai,—unfortunately he is not here,—regarding the responsibility of the Government of India in the matter of reducing to a statutory form the principles of land taxation as enjoined by the Joint Select Committee of Parliament before the last Reforms Bill was actually passed. Now, Sir, my Honourable friend, Mr. Bajpai, said somewhat strongly,—I suppose he was strong in his position, because he was speaking from his brief,—stated:

“If any province had not carried out the recommendations of the Joint Parliamentary Committee of 1920, the blame for it did not lie at the door of the Government of India.”

That is what Mr. Bajpai said, and I immediately asked, what about Madras? And he gave a long story which I do not want to repeat, but I want to say that he is absolutely mistaken in his facts. The Bill, that was originally introduced in the local Council, was recommended for adoption by a Government Committee in which power was given to the Legislature to determine the increase of the rates of assessment at the time of re-settlement. Now, the Government of India did not want to give that power to the representatives of the people and they began to shilly-shally. And land revenue being a subject which is always dear to the bureaucracy and as it is a close preserve, they were somehow or other able to put off this very salutary provision recommended, not by the public agitator, but by a responsible Government Committee. Now, Sir, in reply to a Resolution moved in the local Council in September, 1929, the Honourable Mr. (now Sir) A. Y. G. Campbell said that the Government of India objected to the passing of the previous Bill into law on certain grounds connected with the question of giving power to the Legislature to fix the money rate. He further stated that certain provisions of the Bill were against the principles of the Government of India Act. Then, Sir, there was a memorandum submitted in August, 1927, and in that the Government of Madras said:

“The Government did not accept this recommendation which would make each scheme of settlement practically a taxation Bill: and they put forward certain alternative suggestions for the consideration of the Government of India and the Secretary of State. The Government of India then addressed this Government pointing out the inexpediency of legislating on the lines of a permanent settlement at the present moment, and also disapproving of the suggestion made by this Government as to an income-tax on income derived from land. They asked this Government to reconsider the position in the light of these remarks,” etc.

The result is, that the Bill, as you are aware, is still hanging fire without any conclusion whatsoever. And yet my Honourable friend, Mr. Bajpai, stands on the floor of this House and says that the Government of India are not responsible, but our own Government are responsible. That I say is not correct.

Now, Sir, there are a good many other things that I could invite your attention to, but I do not intend to do so. There is, however, one matter which, I think, I ought to invite the attention of this House in connection with this land taxation, and that is that they always claim to raise the assessment every 30 years based upon a rise in prices. Sir, they have a peculiar way of calculating this rise in prices. They go to the sub-registrar's office and then they take the valuation by going over the documents executed, mortgages, sales and leases and working out the average, leaving alone the lean years. Now, there is a little story about these documents. When a man goes to the sub-registrar's office in order to execute a mortgage on his lands or to sell them, he always fixes a higher figure in the expectation, if it is a mortgage, that when it comes to selling the land which invariably happens he might always ask for a higher figure. It is the same thing with the lessee. The lessor and the lessee together know that they do not expect to get this money value, because it is of no account. If I lease my lands by so many Madras measures per acre, no body is giving me the value of it. That man, if he gets nothing at all, gets the produce. But the sub-registrar says that he has got to give the value, otherwise his document is not going to be registered. My agent comes, the man who executes the document comes. What are they to do? They cannot go back eight miles and ascertain from responsible men what price he should fix. Then the sub-registrar suggests that he should put down something, so that he might get it registered. So this something is put down as the value and the document is registered. That really is the story about the value; and as regards the value of this produce in the villages, if you go and ask some of these village accountants, they put up long sheets of report about values and crop cultivation, one thing and another, and upon that the Secretary of State gives his answer in the House of Commons. You find that the whole thing is manufactured at the corner of the village headman's office. He sits there; he does not go, but he knows exactly in a hazy manner what the price is. So he puts it down and gives it to the tahsildar, because he has to do it by a certain date. The tahsildar gives it to the sub-divisional officer who sends it to the Collector. It is solemnly published in the Fort St. George Gazette. Then it is sent to the Secretary of State, and everybody is satisfied about the price. But it is all incorrect. There are no statistics, and my authority is the Indian Taxation Inquiry Committee which gives a very good history about this taxation. So that the standard of price depends upon all these things. But, then, I said the other day that, out of the total number of pattadars, at least 12 lakhs pay one rupee and less. Will somebody who claims to raise the taxation tell me that if the man's whole income is only two rupees, because he has got to pay half the net income to Government as land revenue, even supposing it is Rs. 3, what is there left for him to sell? And yet you go and raise the assessment on that wretched holding of his, because, forsooth, somebody somewhere has said that the price is rising. And that is the case with 46 lakhs of people who pay Rs. 30 and less, 12 lakhs being one rupee and below, and 34 lakhs being between one rupee and Rs. 30. Sir, what is

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there to sell after paying Government demands? There is not enough to eat. And all this leisure hour employment that we have been hearing about is due to the fact that the man has not got enough to eat and some device must be made for supplementing his income so that he and his wife and children may live till the next agricultural season. That, Sir, is the thing which I want to take into consideration.

Now, Sir, there are only two points that I would trouble you about just now. The first is about what happened when I was talking about the Ottawa Agreement. At that time I said that the East India Company ruined the trade of India and I said that they even went to the length of cutting the thumbs of the silk weavers. Now, I was immediately challeng-

ed by my Honourable friend, Sir Frank Noyce, somewhat angrily then, but later he wrote to me a very nice letter and although I was quite unwilling to discuss outside the House, what I said inside and on the floor of the House, I could not resist the temptation of his courtesy and so I looked up the record. So far I have not been able to find out any authority that the Company's servants actually cut the thumbs of the silk weavers of Bengal. What did happen is that they put them to a great deal of trouble, inconvenience and persecution, the whole of it is detailed in a book "The Ruin of Indian Trade by the East India Company" by the late Major Basu, and persons who want detailed information may look into it. They persecuted them to such an extent that the weavers themselves cut their thumbs, so that they may not be disturbed in working for the East India Company. Now, Sir, this statement was made by a man of the name of Bolts and he made that statement within ten years of the Battle of Plassey, that is, about 1767. You know, Sir, latterly the tendency is to justify everything that has been done in the time of the East India Company—very patriotic no doubt, but certainly not true—and one of the processes that is now going on is that the man, Bolts, is painted in very black colours, his nationality is disavowed, and he is supposed to be a disgruntled man who was interested in speaking an untruth. Now, if that was so, it took a somewhat long time between 1767 and the present date in order to find out his antecedents, nobody said anything about him at that time. Nobody said about him in 1800 . . . . .

**Mr. F. E. James** (Madras: European): What has it to do with the Finance Bill?

**Raja Bahadur G. Krishnamachariar:** As I said, during the discussion of the Finance Bill everything ranging from the winds of heaven to the thoughts of man can be discussed, and this is the only time when I can put forward my grievance. Whether the grievances can be heard or not, whether the grievances are going to be redressed or not, I insist upon saying what I have to say, so that they may be put on record and the Government of India may not say that they were not put forward.

Lastly, there is this question of orthodox representation at the Round Table Conference (Mr. N. M. Joshi was laughing.) My friend, Mr. Joshi, laughs and he laughs so loud that I am afraid of his breath. Let him not do that. He has had the good fortune of being the self-constituted leader of the Labour Party and of going to England and to make a noise there. (Mr. N. M. Joshi: "I support your claim.") If you are going to support

it, you need not have indulged in such a big laughter, which unfortunately disturbed me, as it did my friend, Mr. Ranga Iyer, and thereby spoiled the trend of his thought.

**Diwan Bahadur A. Ramaswami Mudaliar:** May I understand from the Honourable gentleman that there was no representative of the orthodox Hindus at the Third Round Table Conference?

**Raja Bahadur G. Krishnamachariar:** Not as such.

**Diwan Bahadur A. Ramaswami Mudaliar:** What about Mr. Ghuznavi?

**Raja Bahadur G. Krishnamachariar:** Sir, I am very glad that my friend stated it and there is a little story about it. Mr. Ghuznavi and Sir Abdulla Suhrawardy are the only two persons who supported the Hindu orthodoxy as against my friends the Hindus, men who belong to the Nationalist and the Independent Parties, men who call themselves Hindus, men who have no respect to their ancestral religion and men who have no respect to their ancestral traditions, all these gentlemen one and all put together ground down and treaded under their feet the sacred principles of the Hindu religion (Mr. B. V. Jadhav: "As interpreted by whom?") as understood and traditionally interpreted. Mr. Jadhav has, of course, no regard for it. He is perfectly entitled to it, but let him not carp or cavil, because there is a verse which says that the Vedas are awfully afraid that "Half learned and half baked men will wrong me by not understanding what I said", and it refers to persons like my friend, Mr. Jadhav. Without any knowledge of Sanskrit, at least a smattering learning is just enough to misunderstand. He never read the Shastras, he never read the *Mimamsha*, which is the only criterion of interpreting the Shastras and he says, as interpreted by whom. As interpreted by me, as interpreted by my *Purva Mimamsha*, and I am not ashamed of that. Now, at that time, in consequence of the support that Mr. Ghuznavi gave me, I cabled to him at the Third Round Table Conference, when I found that these people are making some *gharbar* about our orthodox view, to tell the Secretary of State and the English people and Lord Sankey and the Premier and all whom it may concern, that no Constitution, however scientifically drawn up, will be acceptable to us without proper representation. And most of our men who went from here are laymen who have absolutely no idea of any constitutional principle. I throw down that challenge on the floor of this House and I want at least half-a-dozen to take it up. They may be very good scholars, they may be very good merchants and they may be very good anything else in the world, but they are certainly not constitutional lawyers and they went and I thought that the only thing that they could lay their hands upon effectively was Hindu orthodoxy. Everybody wanted to have his fling at that. I am here and I cannot go to England and so I wired off to Mr. Ghuznavi to inform the Secretary of State and others concerned what the real feeling of the orthodoxy is. Sir, I did not do anything wrong. Mr. Ghuznavi is not untouchable yet and he is the only man who was able to convey to the Secretary of State and to Parliament, through him, and also to the British Premier and the British Empire the exact view of the situation, and, even now, I say, democracy may be a very good thing. If you believe in Mr. Wells, democracy is something which is not



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[Raja Bahadur G. Krishnamachariar.] particularly useful nowadays. There is a little book which has come out very recently "After Democracy", and I would very strongly advise my friends, who go again to England, to read that book, before they saddle us with this burden of a democracy which only means increasing taxation, increasing trouble to my friend, the Honourable the Finance Member, to justify his taxation, and between these two both I am being ground and ground that only life remains and nothing else. Sir, what I say is that orthodox people have not been properly represented. I am very sorry to observe that the British Government,—and I put it very seriously and as earnestly as I possibly can,—are swerving from the one safe position and that is the religious neutrality with which they started their Empire adventure about 150 years ago. It did not date from the Queen's Proclamation, but it dated from the Statutes towards the close of the 18th century. So long as you do not touch our religion—I do not care who does it—so long as your Empire is based upon utter neutrality, you can consider that it is based on a rock, but if that is shaken on the ground that the lines of the religious and social demarcation are delicate and on the grounds that certain persons clamour, under threat of fasting or upon the ground that certain classes of the community have been tyrannized and tyrannized, that does not go to prove anything at all. There is nothing to prove anything at all. If upon any of these grounds, you tread upon the toes of our sacred religion, it would not do good for you, because that religion . . . .

**An Honourable Member:** Are you going to curse?

**Raja Bahadur G. Krishnamachariar:** I am not going to curse. The religion itself will curse. I am only uttering a warning that the religion, the system for which it stands, has stood the test of time, when other systems have come into existence, have grown up and they are gone. Therefore, the first thing that I would very respectfully submit is a great grievance from the great mass of orthodox people—we represent the largest portion of the community including the masses: I say, do not touch upon our religion; and it is to make that representation as forcibly as we can that we wanted to have representation at the Round Table Conference; and unfortunately I was not able to secure that representation. However, there is another matter upon which I wish to touch: this is the last thing and I will not trouble the House very much further—and that is with reference to the safeguard that would be given to us for non-interference with religion. There are two things. The Governor General or the Governor would have to give his sanction before introducing a Bill of that nature. That provision now exists and so far within the last five or six years it has not been very much operative; but a more fantastic proposal is that if two-thirds Members of any Legislature belonging to the community require that a measure of that nature should be introduced in the Council, then the Council might discuss it. Analysing the position, it comes to this. You do not elect to any Legislature Members upon the basis of communities and, in the case of Hindus, for instance, which sect of the Hindus is going to represent the other sect? And so long as you have got so many divisions and so long as these divisions are based upon our sacred laws, so long it is absolutely impossible to rely upon the Legislature which, however respectable it may be, was not constituted for that purpose. I am not

talking disrespectfully of the Legislature. This Legislature and its sister Legislatures in the Provinces have come into existence for certain secular purposes and the qualifications of the Members were laid down with reference to those secular purposes; and I say, and I repeat it as strongly as I possibly can, such a Legislature is not competent to deal with the sacred laws which we believe in—I do not want Mr. Jadhav to believe in them—as based on revelation, and consequently no human hand can touch it or interfere with it. That is my last grievance about the way in which the great mass of the community is being treated and I hope some day it will reach somebody's ears and I would get some relief.

**Mr. C. F. Grant:** On a point of order, Sir. May I, with your special permission, make a personal explanation? I was unable to give, as Members would have seen at the time, a reference as the book I wished to refer to reached me too late. It contains the reason for a certain statement which I made . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That is not a matter for personal explanation.

**Sir Cowasji Jehangir:** Sir, I promise not to take advantage of the rules and regulations of this House whereby every subject under the sun can be discussed in this general discussion, which is really a continuation of the general discussion on the Budget.

I am certain, there is not a single Member in this House, including my Honourable friend, the Finance Member, who could not legitimately suggest cuts in the Finance Bill to the advantage either of the poorer classes or of commerce and industry. The point of greatest importance is not where the cuts should be made, but to what extent, if any. As I have said, the Finance Member himself could suggest where the cuts could legitimately be made if the money was available; and, therefore, the question that really arises on the discussion today is what is the amount available. According to the Finance Member, the surplus is 42 lakhs. I think it will be admitted that the Honourable the Finance Member has made a very safe Budget. Notwithstanding my apprehensions as to whether he is going to get 18½ crores from income-tax, I still make this assertion that it is a safe Budget. He has allowed something like £6,00,000 or about 80 lakhs of rupees for War Debts; he has, on the other side, made no provision for the Reparations that we ought to receive. He has admitted that these are possible savings which he will keep up his sleeve for times of adversity during the coming year. This is like all good financiers, like all good bank managers, who do keep something up their sleeve and they have every justification for doing so. But, in times of trouble and stress, we have also got to consider what is fair to the people of the country, and, therefore, even if it is not possible for the Finance Member to retrench any further immediately, I think he will admit, or I trust he will, that a cut here and there on this safety Budget will not be considered irresponsible; and even if it were irresponsible, I venture to suggest that until we on this side are placed in a position of responsibility, it is really too much to ask that we should immediately exhibit that great sense of responsibility which an Opposition should feel when the Budget is really in their hands and the destinies of the country lie on the vote that they will give.



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I do wish to bring another point to the attention of my Honourable friend. Sir Abdur Rahim stated that this side of the House would not be satisfied until the Army Budget had been reduced to 40 crores. May I point out that that 40 crores was not a figure arrived at at random: there was some justification for it. The British Army budget is today, I believe, 30 per cent. higher than it was a year before the war broke out. According to that analogy, our Budget ought to be for 40 crores; it was in the vicinity of 30 crores just before the War. Add even a little over 30 per cent., and you get 40 crores. What we ask is, why should the Indian military expenditure be higher today than it is in England? If a 30 per cent. increase is justified in England since the beginning of the War, why should there be a higher percentage in India? I venture to say that I can put up an argument that it should be lower than the increased percentage in England. England's army today is a very different fighting machine to what it was before the War. Ours is not such a different machine. Ours was always a fighting machine, ready to take the field. England's fighting machine, just before the War, was not ready to take the field immediately, and it was never intended to take the field. Today England's fighting machine by this extra expenditure of 30 per cent. is a much finer machine than it was before the war. Therefore, it might be contended that if the extra expenditure in England is 30 per cent. it should be less in India . . . . .

**Mr. F. E. James:** May I interrupt the Honourable Member for one minute? Has he taken into account the fact that there is in addition the Air Force Budget chargeable to the English Exchequer, whereas the Military Budget here includes the Air Force Budget, and a naval defence contribution.

**Sir Cowasji Jehangir:** I am not talking of the Navy, but I do contend that our Air Force is nothing compared to the Air Force in England. Let us have an Air Force in the same proportion as England's Air Force, and then you can very well talk of excluding the cost of our Air Force from our Army Budget. In fact, there was a complaint from some of my friends that the Air Force should be increased. I do, therefore, maintain, Sir, that the cost in India is out of proportion to the fighting machine we have got. That point has to be impressed upon the Government from day to day. There is nobody here today, and I am sure there will be no body here tomorrow when the reforms come in who will desire to see the efficiency of the Army decreased by even one per cent., but the proposition that we have to urge from year to year is that we do not get a proper return for the monies we spend, and the few arguments that I have placed before the House merely go to strengthen this impression and the impression in the country. I know very well that the Honourable the Finance Member cannot immediately reduce the cost of the Army. We are grateful for what he has done.—I mean a reduction of six crores in the last few years, and we are ready to admit that a great deal was due to his persistent efforts. But I do desire to impress upon the Treasury Benches that our Army should not cost us more today than England's Army costs England as compared to figures before the War. There is no justification for it. Circumstances have not changed to such a great extent as to

necessitate an increase in our fighting machine. It cannot be claimed that our fighting machine was not efficient before the War, and that it was necessary to make it much more efficient today. I do desire that Government should not only take these points into consideration,—that is merely repeating *ad nauseam* what we have said before,—but I desire to warn Government that we shall go on pressing these points until we are convinced that no further reductions can be made or should be made in the interests of India . . . .

**Raja Bahadur G. Krishnamachariar:** What about the Mesopotamia Report?

**Sir Cowasji Jehangir:** I quite admit, I willingly admit, not only do I admit, but I would urge upon my friends the need to see that the fighting machine in India is kept efficient, ready and always available for the necessities of the occasion . . . .

**Mr. C. C. Biswas:** Outside India?

**Sir Cowasji Jehangir:** Do not be under the impression that now or in the future India will ever go in for the theories urged in certain quarters that India can do with a smaller fighting machine. We know we cannot do without it, but we desire to see that that fighting machine shall be according to our requirements and no more.

**Major Nawab Ahmad Nawaz Khan** (Nominated: Non-Official): Are your requirements for internal or external purposes?

**Sir Cowasji Jehangir:** As it was pointed out in England, it is for the defence of India, whether that defence be internal or external.

Now, Sir, I will descend from the sublime to the ridiculous, if I may be allowed to, just for two minutes. My friend, Mr. Ghuznavi, was making certain remarks about the Committee over which I had the honour to preside, and, so far as I understood him, he said that the Committee had made a differentiation between the Superintendents of Post Offices and Superintendents of Telegraph Offices. The point is a very simple one. Whether an officer travels by first class or second class is determined by the limit of his salary. We found that certain officers in the Posts and Telegraphs were being given special facilities to travel by first class although the limit of their salary did not justify it. We recommended that economy should immediately be effected and those officers should not be allowed to travel first class. I believe that that recommendation will meet with the wholehearted support of this House and, if inefficiency has resulted from that recommendation, the fault is not the Committee's, but the fault is of the controlling officers, and if officers are reluctant to tour, as they ought to, because they are not allowed to travel first class, the responsibility is that of the Department, and, as a matter of fact, unless I get better proofs than the bare statement of my friend, Mr. Ghuznavi, I am reluctant to believe that officers tour less or not sufficiently, because they have been made to travel second class. Now, Sir, as far as the Committee is concerned, let Honourable Members clearly understand that the recommendations made were quite specific. Superintendents of Post Offices and officers of corresponding status on the Telegraph side, both Engineering and Traffic, were to lose their special classification as first

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class officers. There was no distinction made, and I am given to understand that that recommendation has been carried out by Government, and the statement by my friend, Mr. Ghuznavi, is not correct. I am given to understand that Superintendents of Telegraph Offices are nearly always officers of the second division of the Superior Traffic Branch or Deputy Superintendents in charge, and the pay of these officers is similar to that of Superintendents of Post Offices, and all alike are now classed as second class officers for the purposes of travelling allowance. There may be just one or two officers who are a class by themselves and who may not have been included, but the recommendations of the Committee never intended that they should be included. I have nothing more to say.

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muham-madan): Sir, after three days' debate in which most of the points, which Honourable Members on this side had to bring forward, have been amply discussed. I do not propose to detain the House for many minutes, particularly in view of the fact that I do not wish to repeat what I stated in the course of my speech on the General Budget. I wish merely to supplement a few facts more germane to the discussion in hand.

We have passed the Budget. We are now at the threshold of the taxation proposals. The question that arises in my mind, and I have no doubt that it must be present in the minds of many of my friends, is whether the *replica* of the taxation Bill of last year is justifiable this year. Following what the Honourable Members said in the course of the general debate, Members on this side of the House are not satisfied that the Finance Member has made out a *prima facie* case for his taxation proposals which would repeat the taxation Act of last year, and, to that extent, I feel certain that Members occupying the Popular Benches would concert a plan to thwart the action of the Finance Member. To what extent we shall succeed we know not, but that a serious effort must be made for the purpose of cutting down a reasonable proportion of the taxation proposed by the Finance Bill admits of no doubt. Honourable Members have pointed out various sources of contingent income of which no account is taken in the Budget, and my Honourable friend, Sir Cowasji Jehangir, has refreshed the memory of this House by pointing out that no less than Rs. 80 lakhs have been set apart for the payment of the War Debt taking no account of the reparation payment due to India.

As regards the military expenditure, Honourable Members on this side, and I am glad many occupants on the other side, are convinced that the cuts that have been made and the retrenchments effected are inadequate. I submit that my Honourable friend, Mr. Ghuznavi, has rightly pointed out, quoting the language of Sir Walter Layton, in his minute appended to the report of the Simon Commission, that in no country of the world did the military expenditure amount to as much as 62½ per cent. of the revenues of that country. May I add that even in the expert Committee known as the Brussels Economic Conference in which India and the India Office were represented, it was laid down as the unanimous opinion of that Conference that any country that spends more than 20 per cent. of its revenue upon its defence is riding for a fall. Taking that point of view, it seems to me that the military expenditure requires not only retrenchment, but requires a complete overhaul of policy without which no substantial reduction can be effected.

As regards civil expenditure, all our friends on this side have done their very best, subject to the constitutional limitations which were ever present to them, to make reductions and retrenchments. But here, again, what we want is a complete change of policy or the orientation of a new policy in which India should be able and be free to devise her military and civil expenditure according to her necessities and her needs.

Turning to the taxation proposals of the Finance Member, I was led to compare the proposals which he has laid before this House with the proposals of the Chancellor of the Exchequer, and those Honourable Members who are curious to compare the English Budget with the Indian Budget would find a very instructive page in this Volume, the Statesman's Year Book. Comparing the two, I find how curiously the Indian Budget seems to be a *verbatim* copy of the English Budget. Sir, the British are ruling India, and I should not be surprised if the Finance Member of the Indian Government takes his cue from the Chancellor of the British Exchequer regarding the heads of revenue and expenditure which he thinks appropriate for this country. May I ask him also to cast his eyes casually to the farther East and see whether that country also imitates the example of the United Kingdom? Turning a few pages over, I find in this very book a financial statement of the neighbouring Republic of France. Comparing the two, I see a strange contrast between the heads of revenue in that country and in England. Now, the reason why I have drawn attention to these facts is this. England is not India. England is a centralised industrial country, while India is at the present moment at the threshold of an industrial life, and all taxation must not only take the view of what taxes you wish to impose, but also take account of how those taxes will affect the objective you have in view. Now, we are all agreed that so far as this country is concerned, its purchasing power is at the minimum and, in order to increase the purchasing power, we have to industrialise agriculture and develop our industries. If, therefore, your taxation proposals cut across the growing nascent industries of this country, then you are offending against the fundamental principle upon which your taxation proposals should be based. We, therefore, say, as my Honourable friend, Sir Abdur Rahim, has pointed out, that your proposals to tax machinery and raw cotton imported into this country are on that ground indefensible. (Mr. H. P. Mody: "Hear, hear.") Further, we have been confronted with the epidemic of deficits in the Railway Department, in the Posts and Telegraphs Department and in all the spending Departments of the Government. I was reading a cable which came to this country from overseas in which it was stated that it was proposed in the United Kingdom to separate all the commercial departments from the administrative departments and that it was further proposed to reduce the freights and fares of the railways in order to make them more popular and more paying. Now, the policy of the Government of India for several years has been,—there is a deficit of so many crores in the railways, therefore raise the freights. But may I ask that there is the other alternative which the Government of India might have tried with perhaps greater advantage, namely,—there is a deficit of eight crores or nine crores, let us reduce the freight. Applying the same argument to the Posts and Telegraphs, perhaps the same panacea might also result in the balancing of the Posts and Telegraphs Budget. For the last 12 years, the policy of the Government of India, to my knowledge, has been, whenever there is a deficit, raise the freights and the fares and the postal rates. About ten

[Sir Hari Singh Gour.]

years back, we were told that the postal rates were being increased for the purpose of increasing the number of village post offices. Some of my Honourable friends, who occupy these Benches, may remember the promise made. Today we have been told that the village post offices are no longer a paying proposition and the money that has been raised from the taxpayers in the form of postage has gone to increase the salary of the peons and overseers and the rest. My Honourable friend, Mr. Joshi, is staring at me, but may I point out to him that the other day, when he pleaded for the increase in the emoluments of the various labouring classes, he had fallen into a very serious mistake. He said that India has taken part in the International Labour Conference and Bureau and had subscribed to the Washington Convention. He might have also cast an eye upon the efficiency and the output of the Indian labourer as compared with the efficiency and the output of the labourer in Japan, Germany or England and then compared the wages of the two countries. It is all very well to pull one way, but also consider that there is the other side of the picture which is also well worthy of examination. If I were in the place of the Honourable the Finance Member, the first thing I would commit India to is a five year plan, an intensive plan for the industrialisation of the country and for the intensive production of wealth, thereby raising the purchasing power of the people and producing more wealth in the country and that would be a very right thing for the Honourable the Finance Member to do. The Finance Member is perhaps thinking with me on that point, but is conscious of his helplessness.

Some years ago, I came across an extremely picturesque and piquant note written by Lord Curzon, when he was Viceroy of India, on departmentalism, and there he complained that one Honourable Member ran his Department and the other Honourable Members had not even a chance of peeping into the arcana of his office, even through the key hole. That is the water tight compartmental system under which the Government of India at present work and it may be for that reason that the Government of India is not so efficient as it might be if there was a real collective responsibility of the character we have always been insisting upon. Honourable Members on this side of the House, during the last few days, have been complaining of the staggering outflow of gold from this country. My friend, Mr. Kyaw Myint, this morning pointed out that whether you regard it as a commodity or a precious metal, the outflow of gold, unchecked and uncontrolled by the Government, is indefensible. I look upon the storage of gold in this country as a currency metal, as the ultimate currency of almost all countries of the world, having a readily convertible value and, therefore, next door to currency. In that light I deprecate the outflow of gold and, it is in that light, I say, as Mr. Ghuznavi has just now pointed out, even the country overflowing with gold has recently placed an embargo upon the export of that metal. Other countries have placed a similar embargo before and I do not see why the Government of India should be reluctant to place an embargo upon the outflow of gold, seeing that no less than 107 crores of rupees have already gone out of the country, and seeing further that the Honourable the Finance Member has already admitted on a previous occasion that a quantity of the imports have been purchased at the expense of the gold which was the people's reserve. I, therefore, submit that the Finance Member should certainly have carried out the suggestions made from this side of the House in his

taxation proposals. It is not yet too late. I remember that in the first Assembly when the then Finance Member was subjected to a volley of criticism from this side, he immediately approached Leaders and said: "Let us now sit down and revise our taxation proposals." A sort of informal Select Committee sat in which the taxation proposals were examined and revised. I do not think it is too late for the Honourable the Finance Member to follow the example of his distinguished predecessor. We are prepared to help the Finance Member to tide over his difficulty, much as we may regret the narrow vision of the Finance Member which seems merely to point to one fact and one fact only, regardless of other factors in the situation, namely, "I wish to balance my Budget and damn the rest." Now, I submit, that is the narrow view of departmentalism which we deprecate and I would ask the Honourable the Finance Member to take some of us into confidence and see whether we cannot thresh out a reasonable proposal in which the immediate needs of the Government would be reconciled with the necessity of the people. There is one word more and I have done. For the last two years and more, we have been subjected to a series of taxation and we have been told that this tax is a very good one, or at any rate is justifiable, because it is a tax which is levied also in the United Kingdom. Members on this side of the House wish once more to emphasize what they have said before that what may be right in England is not necessarily right in this country and that we want the principle of taxation to be enunciated with a peculiar and particular reference to the system of life in this country and the development which this country needs and the condition of the people and the object which we have in view, of promoting trade, industries and commerce of this country, upon which the taxation proposals of the Honourable the Finance Member fall unequally and heavily.

**Several Honourable Members:** I move that the question be now put.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair is prepared to accept the closure if it is the pleasure of the House that the question be now put. In view of the fact that it is a late hour in the day and that the House would like to listen to the reply of the Honourable the Finance Member, the Chair would ask the Finance Member to reply to the debate the first thing tomorrow morning. The question is that the question be now put.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 16th March, 1933

## LEGISLATIVE ASSEMBLY.

Thursday, 16th March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

### THE INDIAN FINANCE BILL—*contd.*

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume discussion of the motion that the Indian Finance Bill be taken into consideration.

**The Honourable Sir George Schuster** (Finance Member): (Loud Applause.) Sir, it is always rather a cold-blooded affair to wind up a debate after a night's interval, but a night's interval gives one an opportunity for calm reflection and I hope on the other hand it has perhaps restored the energy of my Honourable friends opposite and that, therefore, I can count on their attentive hearing to everything I have to say. Sir, a Finance Member who has to sit immovable in his place during three days of general discussion is apt to indulge in philosophical reflections, and I have had ample opportunity during the last three days for doing so. There has passed through my mind, Sir, a certain story that is told of Dr. Johnson. He was taken by a lady to see the performance of a dancing bear. The lady at the end of it said that she thought that the bear had not danced very well. Dr. Johnson said: "Madam, the marvel is, not that the bear did not dance well, but that it danced at all." Sir, I think in present circumstances the marvel is, not that the Budget has balanced in a manner which does not please all Honourable Members of the House, but that it has balanced at all. (Applause.) And, Sir, I would point another moral from that little tale. I listened with a great deal of sympathy to my Honourable friend, Sir Cowasji Jehangir, when he voiced the feelings of many Honourable Members opposite—feelings which must have been present to their minds on many occasions during the past few years—as to the unsatisfactory nature of the present constitution. He craved indulgence from us who sit here on the Treasury Benches for Honourable Members opposite if they approached the matter with a certain feeling of irresponsibility. Sir, I am very conscious of the failings of the present constitution and of the difficult position of Honourable Members opposite. In that connection I was reading the other day the report of the last debate of the House of Commons on reforms in India, and I was very much struck by one passage in a speech made by Lord Eustace Percy. He said:

"One thing that the experience of constitution-builders has shown from the beginning of time is that an elected person is a public danger unless he has fairly immimently before his eyes the hope, the prospect, or the fear of becoming responsible for carrying out what he has talked about on the floor of the Legislature. I say 'responsible' in the moral sense that he has to take on the job."

(Applause.)

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): "A public danger"?

**The Honourable Sir George Schuster:** Now, Sir, I do not wish to suggest, as my Honourable friend, Dr. Ziauddin Ahmad, has just interpolated, that he or anyone else is a public danger; and indeed that leads me to what I was going to say. Taking again the moral from my little story, I think, if one reflects on what has happened in the last two or three years, the marvel is, not that the constitution has not worked always very satisfactorily, but that it has worked at all (Laughter) and that we have been able to get out of these debates on a series of extremely difficult Budgets really valuable discussions and that we on this side have been able to get valuable help from the Honourable Members opposite. Sir, I wish to give full credit to all Honourable Members opposite who have helped us in this matter, particularly in the matter of retrenchment which has been our main task during the last few years. However, Sir, that is something of a digression and, as the French say, we must get on to our sheep—those poor sheep, both white and brown, who are now so closely shorn, as my Honourable friend, the Leader of the European Group, reminded us, when he started the ball of this very long debate rolling about ten days ago. Sir, the value of a debate of this kind to one stating the Government case is partly that it gives one useful suggestions, and partly that it does reveal whether one's own statement of the position has been liable to misunderstanding.

There is one particular form of misunderstanding with which I wish to deal at the outset and that is the misunderstanding that I have endeavoured to present too bright a picture of the present position. I endeavoured to put before the House certain facts which seemed to me to throw an extremely interesting light upon the position, but I was not attempting,—as my Honourable friend from Burma, whose name I will not venture to attempt to pronounce, because I have not acquired that admirable fluency in a foreign language which I so much admired in him—there was no attempt in my speech to argue a case. He said that in certain passages I supported his own case. I am very glad he should have a case, but I was not defending any particular thesis in giving the figures which I put before the House. I wanted Honourable Members to consider them, because they do throw a valuable light on the situation and have an important bearing on our judgment of the present position and our expectation for the future. If any Honourable Member thinks that I failed to appreciate the serious nature of the situation and particularly the very grave difficulty into which all the agricultural classes have been put, I would just like to read a very short passage from the speech which I myself made at Ottawa. I said this:

"The figures sufficiently indicate how difficult the position of the small cultivator has become. For the prices which he is now realizing for his 'money crops' are in many cases only about a half of the pre-war prices while his fixed charges have probably in most cases increased and the cost of his necessary purchases is much higher. The margin of cash which he can realize is thus totally inadequate to meet his needs. In these circumstances, he is forced either to restrict his own consumption of the foodstuffs which he produces or to part with any property which he may have (cash savings, gold and silver articles, etc.) or to get more deeply into debt."

That, Sir, I think, is still a true account of the position. But I think that the figures which I quoted do tend to show that so far there has not been any very striking restriction of consumption in the main necessities

of life. I think the conclusion which must be drawn for the premises on which I drew the former conclusion still holds good. I think the conclusion which must be drawn is that in the main the poor cultivator has been able to keep up his purchases by refraining from paying his rent, by refraining from paying interest on his debts and by incurring further indebtedness. I think that must be the case and it leads one to this thought that there will undoubtedly be an aftermath from the present crisis which will require very serious consideration and I think, as I have always thought, that one of the main problems before those who have any responsibility for guiding the life of this country will be the problem of dealing with agricultural indebtedness, that vast load which hangs over such a great proportion of the cultivators of this country and which must rob them of the incentive which they should have to improve their own position. Sir, I wish no one to be under any misunderstanding as to my appreciation of the seriousness of that position. But the point that I want to make is this. At present we, who are responsible for the public finance, cannot be deflected from our course by sympathetic and sentimental considerations. Even if we wish to deal with that problem or any of those problems now, conditions are not such that we can take any measures to deal with them. Our task at present is to preserve the financial existence of the country. Our task is to keep the ship afloat. We cannot at present think of grandiose plans for the future. Our struggle to preserve existence needs all our energies and that, I think, Sir, accounts for the fact why perhaps in the speech which I made presenting the present Budget I dealt rather with the purely financial aspects and did not enlarge upon other problems, because it is the purely financial problem which, as I said, must occupy all our attention at the present moment. If in presenting the case I tried to call attention to some of the bright spots, I do not think that anyone can fairly criticise me for that. The thing that really matters is not so much what one says as the action upon which one decides. And when we come to action, it is a curious fact that my critics and I seem to change our roles for whereas I say that the situation is still so serious that we cannot afford to relax any of the emergency measures which we have taken, they, on their side, seem to argue that the time has come when I ought to take a risk. Sir, I prefer my own view of the situation. I feel that so far as action is concerned, there is nothing that I could have proposed which would in any way have approached what is necessary to deal with the present situation other than what I have proposed in the Budget which I have presented to the House.

Now, Sir, dealing with various points that have been raised, I do not wish to take much time of the House in dealing with the well-worn subject of the export of gold. My Honourable friend, Mr. Ranga Iyer, made a very short and clear speech on the matter which showed me that, in spite of the long explanation which I gave of the position in my Budget speech, there is still a great deal of misunderstanding about the situation. My Honourable friend complained that we have not prohibited the export of gold and he accused us of being parties to a policy of dissipating the resources of the country. Now, Sir, if my Honourable friend had studied what I had said, he would have found that, taking the 15 months to the end of December last, out of the proceeds of gold which had been sold worth 80 millions sterling, Government had actually acquired 70 millions, and having acquired that 70 millions sterling, it could equally have acquired

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and held an equivalent amount of the gold. From our point of view at present, as a matter of fact, it is equally valuable, at least so we think, to hold sterling balances as to hold actual gold. Having acquired that 70 millions, we could not sit upon it. We are bound, at least as regards a great part of it, to go through the process of what my Honourable friend calls dissipating it, because we have certain current requirements to meet. Even if we had prohibited the export of gold and bought that 80 million pounds of gold ourselves, we still would have had to part with about 35 million pounds worth of it in order to provide ourselves with funds to meet our sterling requirements. We should also have had to part with a further balance of ten millions of it in order to meet the demands which would have come to us as currency authority from private individuals who wanted to acquire sterling balances. So it is only the balance of about 35 millions that we could have been able to retain. That we could quite well, according to our present policy, have retained but, instead of retaining it in the form of gold, we have used it to re-pay our maturing loans in London and to strengthen our currency reserve and treasury balance in the form of sterling. Therefore, there has been no process of dissipation. We could, I quite admit, have got all that gold, but having got it we could not have held it unless we had departed entirely from our present position by putting an embargo on all foreign exchange transactions and prohibiting the country from importing more goods than the amount which the value of our exports of merchandise would have supported. That would have meant the restriction of our imports for the current year to something like 80 crores. Well, Sir, if our imports had been restricted to 80 crores, our customs revenue would have fallen from something over 50 crores to something like 25 crores, and I leave Honourable Members opposite to form their own conclusions as to what our position would have been if that had happened. Sir, in this matter we have to face realities. We cannot be guided by any sentimental affection for preserving the country's holding of gold, and I would put it again to the House that the whole question is whether at a time like this, when the value of the merchandise which the country can export is reduced to such a terribly low level, it is not legitimate for the country to help itself through that period by drawing upon its reserves. I still maintain that that is a legitimate use of such reserves. But I also realise that it is a process which cannot go on indefinitely, and as I made quite clear in my own presentation of the position to the House, if the present depressed level of the world's demand for India's commodities and the present depressed level of prices of these commodities continues, then we shall be faced with a problem of extreme gravity which will make it necessary for us to overhaul the whole position. We must be ready to meet that sort of crisis, but for the present let us at least congratulate ourselves that we have come without disaster through our troubles up to this point, and that not only have we done that, but have greatly strengthened the financial position of India in the world.

Now, Sir, I think perhaps the best speech that I can take as a guide through all the subjects that have been raised is the speech made by my Honourable friend, the Leader of the Independent Party. He asked me in the first place, what did I mean by sound finance? Well, Sir, in the first place I mean something quite different from unsound finance. (Laughter.) I mean something quite different from, let us say, what

has been happening in the United States of America, where the floating debt of the Government has been increased during the current financial year by no less than 3,000,000,000 dollars; and that is because they have not tackled the task of balancing their Budget. Now, Sir, a country in the position of the United States, a strong creditor position, the owner of the largest stocks of gold in the world, a country in that position can perhaps take risks. I think recent events have shown that they have gone very near the limit of the risks which they can safely take. But for us in this country to take risks of that kind would be absolute madness. Therefore, by sound finance I mean a policy which provides for paying out of the income of each year the expenditure of each year, a policy which does not mean borrowing to meet current expenditure. And I would remind Honourable Members that if there is a temptation to follow a policy of that kind and to shirk our immediate difficulties in that way, that does not mean that you get out of the difficulties. What you are doing is simply to put upon the tax-payer of tomorrow a burden which should properly be met by the tax-payer of today; and as Honourable Members opposite are likely to have a much closer connection with the responsibilities for dealing with the tax-payers of tomorrow, I suggest that they would be wise to let us incur the odium of taking the proper sum from the tax-payer of today.

Now, Sir, again by sound finance I mean finance,—I do not mean everything else in the world. agriculture, religion and all the other subjects that have been dealt with in this general discussion (Laughter),—and, therefore, primarily one must talk about finance, and finance unfortunately is a hard-hearted, unsentimental subject. At the same time I quite agree with my Honourable friend that the financial position depends on the general economic development of the country, and that to consider nothing but raising taxes is to take a narrow view of the situation. But I cannot agree with my Honourable friend that Government have been doing nothing towards increasing the productivity of the country. He said I think that no serious attempts had been made to increase the productive power of the country. Now, we had quoted to us in this debate the review which Sir Walter Layton made of the finances of India, and I shall have myself occasion to turn again to that very excellent review. But I would remind my Honourable friend of one important passage in the chapter summarising the financial situation. Sir Walter Layton, Honourable Members will recollect, anticipated a considerable expansion of the revenues of this country and the reasons which he gave for that he stated as follows:

"On the other hand, there are reasons for thinking that the economic development of India in the next ten years should be much more rapid than in the last decade. Several gigantic irrigation projects which will bring millions of acres under cultivation are now nearing completion in Sind, the Punjab and Madras. Railways are being extended as fast as funds permit. The requirements of a rapidly developing motor transport have necessitated the constitution of a standing committee on roads whose efforts undoubtedly will result in an improvement and extension of the road system. Three harbours, Vizagapatam, Cochin and Tuticorin which are in course of construction will be opened for traffic before long. It is to be expected that with this economic progress foreign trade, which is extremely low per head, will substantially increase and with it the yield of Customs."

Now, Sir, all these facts are of course very well known to every Member of this House and they will also compare with that expectation the facts which have actually transpired in the last three or four years since Sir Walter Layton wrote that report. But the point that I want to make



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is this that these are the obvious ways in which the Government of a country like India can help to increase the economic productivity of the country; and I do maintain that in the past years the Government, chiefly of course the Provincial Governments, have been very active in that direction. But what is the result today? We unfortunately are in the middle of a terrible crisis of depression in which the whole effort of every one, who is engaged in bringing about an improvement in the situation, is not to increase production but rather to restrict it. And in those circumstances the task of doing anything to improve the economic productivity of the country is practically, in present conditions, an impossible one. Now, Sir, the whole future of the world's demand for agricultural products, all the questions of what is necessary in order that India should keep her place as supplier of primary products, all these are difficult and important questions which need a great deal of study and care. But there is one general line of development which, I think, has always been supported by Honourable Members opposite and that is that it is necessary to raise the standard of life in India, and that that can best be done by supplementing agricultural production with industrial development. Well, Sir, I agree that that is necessary to raise the standard of life in India, and that for this purpose there must be some supplementary industrial development. But I do not think that we can be accused in the last two years of not having dealt with the demands which have been made for measures much advocated by Honourable Members opposite for increasing and stimulating the industrial development of the country. A study of the figures showing how imports, for instance, of cotton piece-goods, have declined in relation to the internal production of the country is very instructive. I gave those figures last year. I do not propose to repeat them. But apart from that we have endeavoured to do something in the way of making an even balance by also helping the development of agricultural enterprise, and I think we may claim that the increased duties imposed on sugar have very definitely helped in that direction and have created one small bright spot in the midst of all the agricultural depression during the last two years. I would like to add that our proposal in regard to the small duty that we imposed on raw cotton is also a measure tending in that direction, and I hope that it will continuously influence the Indian mills to look to Indian cotton when they require long staple cotton, and will help to encourage the Indian agriculturist to produce that cotton. (Hear, hear.) On that particular point I strongly disagree with my Honourable friend, Sir Abdur Rahim, who quoted that as one of the bad taxes which have been imposed during the last two years. That, Sir, is what I claim that the Government have done, but my point, which I have already made, is that in a crisis like the present there is very little opportunity for helpful work, our whole efforts being required just to keep our heads above water. Nevertheless, as I pointed out in my Budget speech, we think in certain respects that the time is coming when we can turn our thoughts again to constructive work, because at least we have created one of the conditions which would justify such a policy, the condition of cheap money and the improvement of the Government's credit.

Now, Sir, my Honourable friend, Sir Abdur Rahim, asked me a question as to what we should consider as sound economic schemes. I find it a difficult question to answer precisely. If, for example, he wants to know

whether one would consider it justifiable to finance road development from loan funds, I must say that the whole matter must be examined on its merits. I should not go so far as to lay down as an absolute rule that each particular project must itself pay a direct return of sufficient revenue to pay interest on the capital which has been used to finance it. But on general lines one must be satisfied that capital expenditure is going to increase the economic productivity of the country. Otherwise one is increasing the burden of interest without increasing the means by which that interest can be met. That is the main principle which must always be observed, and having listened to what my Honourable friend said on the question of the burden of the public debt, I am sure that he will agree with that general principle.

Then my Honourable friend turned to the expenditure side. He was quite right in doing so. Naturally, in times like this, one cannot look to meet one's troubles merely by raising taxation. He complained as regards expenditure that our Budget was nothing but debt charges and army expenditure, and practically nothing else. Well, Sir, of course we all know that. But I would remind my Honourable friend that it is an unfair way, if I may say so, of presenting the case, because the position of the Central Budget depends entirely on the division of constitutional functions between the Centre and the Provinces. If one has to consider the public expenditure of India, one must put together the expenditure of the Provincial Budgets and of the Central Budget. It is obviously true that the main task of the Central Government is to provide for defence and for the service of the debt of India, and that being so, it is impossible to avoid a position to which my Honourable friends called attention. My Honourable friend then went on to criticise—I shall deal with army expenditure later—the burden of the country's debt. I confess that I was surprised to hear him take that line, because I thought that, if there was one thing about which every one agreed in regard to the public finances of India, it was that the burden of the public debt of India is an extraordinarily light one. In fact I am quite certain that there is no country in the world which is in a position at all comparable with India in that respect. I publish every year with the Explanatory Memorandum produced by the Financial Secretary a statement showing the various interest bearing obligations of the Government and the assets which we hold against them. The figures are, I believe, well known to Honourable Members. But when my Honourable friend talks about the terrible burden of debt, I would ask him to study again Table IV in the same pamphlet which analyses the interest payments of the Government of India, and I would remind him that the total net interest payments are now brought down to a figure of 10,79,00,000 and that that includes a sum of 2,55,00,000 representing the bonus on cash certificates which formerly was not included. If I allow for the difference in comparing various years made by the fact that since 1930 we have followed principles of sound finance as regards those cash certificates, I find that the total net interest payment this year is something like a crore lower than it has ever been during the period from 1921 which is the period covered by this table. It is steadily coming down, and, of course, as I explained to the House in my Budget Speech, the result of our conversion operations will be to bring it down still further. I feel, Sir, that that is just the one feature in the picture of public finances in India today of which we may be proud.

Now, Sir, turning to the Army, various types of criticisms have been made. There are those people who merely tell us that army expenditure has got to come down to 30 crores. Well, that is not a very useful form

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of criticism. No doubt it is a very desirable objective but it is quite obvious that it cannot be attained in the immediate future, so that, in relation to our financial trouble of 1933-34, it has very little value. What we are considering now is what taxes we ought to raise in order to meet the financial expenditure of 1933-34. Then, another form of criticism has been the detailed criticism advanced by my Honourable friend from Madras, Diwan Bahadur Mudaliar who raised special points, as regards two particular branches of the service. Those points will certainly be most carefully examined and I will put them before the army authorities and ascertain what substance there is in them and what can be done on the lines suggested by my Honourable friend. Then, another type of criticism was that advanced by my Honourable friend, Mr. Ghuznavi, who referred again to Sir Walter Layton's Report. I shall come back to his particular line of attack afterwards, but in case of army expenditure I would remind him that Sir Walter Layton, having advanced the view that army expenditure was too high, forecasted that it would be possible within ten years to reduce it to 45 crores after eliminating the expenditure incurred in defence on Burma which he estimated at three crores. Therefore, he was reckoning on what would be the equivalent today of an Army Budget of 48 crores, but that it would take ten years to arrive at that result, but we have got to a figure of 1,80,00,000 below that in three years. Therefore, Sir, if Sir Walter Layton is to be quoted as an authority for criticising the Government, I think we have a very effective answer indeed. Then, my Honourable friend, Sir Cowasji Jehangir, advanced another line of thought. He argued that we might take the United Kingdom as a standard and that as they had increased their expenditure on the Army Vote only by 30 per cent. since before the War, we ought to be content with a similar increase of 30 per cent., which would mean an Army Budget of about 40 crores. I have only just got some detailed figures on this question and I cannot give the House any digested summary of these figures, but I would just remind my Honourable friend of certain facts. In the first place, our Army Budget, as he well knows, includes expenditure on the Air Force: if that expenditure is included, the comparison is: in the United Kingdom in 1914 it was 28½ millions and in 1933, £55 millions, or an increase of nearly 100 per cent. In the case of India, the increase is from 29 crores to 46½ crores, an increase of 58 per cent. If we eliminate the Air Force expenditure and say that that is quite a different matter which has nothing to do with the Army, as I think my Honourable friend suggested, then we have in England an increase from £28½ millions to 38 millions, and in India an increase from 29 crores to about 44½ crores. But there are other things to be taken into account. The Army Budget in India includes the expenditure on war pensions—a matter of 1½ crores. In the British Budget that is borne under a different head: my Honourable friend, I am sure, knows that the war pension liability in England is £50 million sterling per annum. So he ought to eliminate that also which would bring our expenditure for purposes of comparison down to 43 crores. Then, as regards non-effective charges, they have increased very much indeed. In India, they have increased by about 340 lakhs, whereas in the British Budget they have increased by £4 millions; that represents about the same proportion of increase. But the main point that I want to make is this: my Honourable friend argued that the British Army was not ready for war before 1914, whereas the Indian Army was always ready for war. I really do not know how my Honourable friend came to

make a statement of that kind. The one thing which stood out in the history of the War was the complete readiness of the small British Expeditionary Force to take the field immediately. It was small, but it was the most perfectly equipped and the most perfectly trained army that took the field: whereas the Indian Army, before the War,—again, I am sure, my Honourable friend knows this—was organised on a system which proved itself absolutely unfitted for conditions of modern warfare. My Honourable friend knows that they had in the cavalry a system known as the Silladar system which meant really that the Colonel of every regiment was a small contractor who produced the unit at a certain cost for the Army. The same system prevailed in the greater part of the infantry. It was found, and the army authorities were unanimous about it, that they could not possibly go back to that system after the War, and that change in the system accounted for a greater part of the increase in the army expenditure. If Honourable Members opposite wish to go into the question of army expenditure on the basis of the question of whether the country is getting good value for the Army as compared with what it was getting before the War, then the army authorities have got nothing to fear. There is no chance, I am quite convinced of that, of finding economies in that direction. You have got to face the fact that if you want a substantial reduction in army expenditure, you have got to do with a smaller Army. That may be necessary. I am not going to deal with that question. But that is what has got to be faced if it is desired to alter the whole basis of expenditure in India by a substantial reduction in military expenditure.

Turning to other expenditure, I must confess that I was somewhat disappointed with my Honourable friend, Sir Abdur Rahim's speech. I had prepared for him the fullest information that I could. I had prepared also for a detailed attack. I found that my labours were wasted. He went very hastily through the whole position and contented himself with what I think I must describe as the most slovenly of all the economist's methods, the method of a lump cut. He told us that they were going to decide in his Party what lump cut must be made and that then they were going to reduce our taxation provision accordingly. It is impossible to deal with the matter in that sort of way, and I do maintain that we have established our case, that so far as economies without altering the whole system on which the Government is carried on can be effected, we have got very near the limit of what is possible and equally near the limit of what Honourable Members opposite were able to recommend. As I have said, if we are to face a new level of values, a new level of public revenue in India, then this whole problem may have to be considered again in quite a different way. But for the present as long as we feel that it is not necessary to face such a desperate expectation, then I maintain that our economy measures have been all that can reasonably be demanded of the Government or that can be reasonably performed. In the meanwhile, I await with some equanimity this sword, or possibly I may say this axe, of Damocles hanging over my head.

I have only two more points to make and I shall have finished. I am afraid I have kept the House for a long time. The whole question really which we have to consider, the whole basis of the attack is whether taxation at its present level is an intolerable burden. There the point perhaps was made most clearly by my Honourable friend, Mr. Ghuznavi, who relied again on Sir Walter Layton's Report. I think my Honourable friend would have presented a truer picture if he had quoted a little more

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fully from Sir Walter Layton's Report. Sir Walter Layton pointed out, quite truly, that military expenditure in India bears a very large proportion to the total expenditure; and he gave some very arresting figures illustrating that point. But he went on to say:

"There is another figure to be considered, and that is the ratio which the total tax revenue collected in India for both central and local purposes bears to the total national income of the country.

Taking the preceding figures as basis, the ratio of total taxation to national income in India is only about six per cent. If the more pessimistic estimates of the national income per head in India, which place it at about 80 rupees, are correct, the taxation percentage works out at about eight per cent. In Britain the proportion is about 20 per cent. It is perhaps even more significant that the ratio in Japan, which is an oriental country with a population whose standard of living is low, is also about 20 per cent. It is clear, therefore, that in comparison with other countries, the proportion of the income of the nation which is taken by the tax gatherer is low."

And he then goes on to say:

"But though the population of India consists in the main of extremely poor people it is at the same time a country in which there are large accumulations of wealth on which the burden of government rests very lightly. In spite of the widespread poverty in India I see no reason to doubt that the public revenues of India can be substantially increased without taxation becoming intolerable, provided that its incidence is adjusted to the capacity of tax payers to pay, and that heavy additional burdens are not put upon primary necessities."

Now, Sir, of course the picture has changed since Sir Walter Layton wrote those words, and I have no doubt that the national income valued on today's prices will be lower than he took. The burden of taxation has also been increased, and, in making those increases, I think we can fairly claim that we have distributed them evenly over the sources of wealth of the rich and over the necessities of the poor, and the figures which I have shown at least demonstrate this, that, so far at any rate, the taxation upon necessities of the poor has not resulted in any substantial decrease in consumption. Now, Sir, I would remind the House that Sir Walter Layton, after having expressed the view that it was necessary to find more money for beneficial expenditure, propounded a scheme, according to which, with the growth of revenue, particularly of customs revenue, the Central Government would be able to part with something like 12 crores for the benefit of the provinces,—and I would remind Members of this, because it is an important point which has a bearing on future discussions which are coming very near on the question of Federal Finance,—while he estimated that the Central Government could part with 12 crores of revenue, he estimated that the Provincial Governments, out of their own present resources, would help themselves to the extent of 24 crores. His ideas were,—and I am sure they will not be very popular ideas,—that a great deal of money could be raised in the form of agricultural income-tax and death duties. Those were two of his chief weapons. I do not wish to discuss them on their merits, but if Sir Walter Layton is to be quoted as an authority in criticising our present position, then I do think it is fair to say that he deliberately came to the conclusion that the burden of taxation at present was not unduly heavy and that it was capable of considerable expansion . . . . .

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): What is his estimation is the average income per head of the Indian population?

**The Honourable Sir George Schuster:** Sir Walter Layton took the figure of Rs. 80 per head per annum.

Now, Sir, there is one other broad general consideration about the burden of taxation which I want to put particularly to my friends who engage in business. We are so often told that taxation is an unbearable burden on commercial enterprise, and that it is checking commercial enterprise today, and that, therefore, we should be wise to lighten that burden and we should gain more revenue by doing so. I put it to every one present here today who is actively engaged in business,—I put this point to him,—does the fact, that he has to pay now five or ten per cent. more income-tax than he had to pay before 1931, carry any weight at all in his decision as to whether he will undertake a particular piece of business or not? Is not his business activity today entirely hampered by the position of the world, by the lack of markets, by the uncertainty of the future courses of prices? I am quite certain that every man who sits here today and who really honestly answers that question will say that, although in normal times the comparative burdens of taxation between one country and another might have some influence on whether one undertook business in one particular country or another, we are now in the midst of difficulties of such a tremendously greater nature that these questions of taxation carry practically no weight at all. Sir, I feel sure that that will really be the view of every man present here today. I would then go on from that and put to my friends who are engaged in business the consideration which I put in one of the closing paragraphs of my Budget Speech, where I argued that from the point of view of business it was more in their interests that we should preserve conditions of sound finance in India, that we should keep Government credit high so that Government could borrow at very low rates of interest, that we should keep money cheap so that people would eventually become encouraged to invest money in industrial enterprises, and that that was the one sound way of seeking for an outlet from the present vicious circle; but that if we relax our efforts, if we take risks about the Government credit, if we see Government Securities again falling and rates of interest going up, that is going to do them much more harm in the long run, and further in the long run they will suffer much more heavily from the additional taxation which it will eventually be necessary to impose in order to recover the ground which has been lost. I would invite the attention of Honourable Members to the position of two great countries, France and United States, today. They have carried on longer than we have without facing the realities of the financial situation, and I maintain that their difficulties in the next year or two are going to be far greater than anything that we have had to encounter, and that if we had followed that course, we should now not merely not have a balanced Budget, but that we should all have been ruined together. That, Sir, I feel sure, is not an exaggeration of the position, and, therefore, I would ask Honourable Members to consider it on its merits, and to consider it not as Members of an irresponsible opposition working under the present constitution, but as representatives of the public who may very soon have an opportunity to cross this floor and try their own hands at the task which is ours today. Sir, I believe that when that day comes, those who came to curse the present Budget, proposals will remain to bless our firm determination to keep the position sound and to avoid putting on to the shoulders of the tax-payers of tomorrow the burdens which we are asking them to bear today.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The question is:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Stamp Act, 1899, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923, be taken into consideration."

The motion was adopted.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Before the House takes into consideration the clauses of the Bill, we can dispose of the first four items that stand on the order paper.

#### THE INDIAN TARIFF (OTTAWA TRADE AGREEMENT) SUPPLEMENTARY AMENDMENT BILL.

**The Honourable Sir Joseph Bhore** (Member for Commerce and Railways): Sir, may I express my regret that I was not in my place to move this motion at the commencement of the business of today? Sir, I beg to move for leave to introduce a Bill to supplement the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932.

The motion was adopted.

**The Honourable Sir Joseph Bhore**: Sir, I introduce the Bill.

#### THE PROVINCIAL CRIMINAL LAW SUPPLEMENTING BILL.

**The Honourable Sir Harry Haig** (Home Member): Sir, I also express my regret that I was not in my seat at the commencement of the proceedings. I move for leave to introduce a Bill to supplement the provisions of the Bengal Public Security Act, 1932, the Bihar and Orissa Public Safety Act, 1933, the Bombay Special (Emergency) Powers Act, 1932, the United Provinces Special Powers Act, 1932, and the Punjab Criminal Law (Amendment) Act, 1932, for certain purposes.

**U Kyaw Myint** (Burma: Non-European): I do not intend to make a speech, but I rise to lodge a formal protest.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): A formal protest because Burma is left out!

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That leave be given to introduce a Bill to supplement the provisions of the Bengal Public Security Act, 1932, the Bihar and Orissa Public Safety Act, 1933, the Bombay Special (Emergency) Powers Act, 1932, the United Provinces Special Powers Act, 1932, and the Punjab Criminal Law (Amendment) Act, 1932, for certain purposes."

The motion was adopted.

**The Honourable Sir Harry Haig**: Sir, I introduce the Bill.

#### STATEMENT OF BUSINESS.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Leader of the House will now make a statement of business for the next week.

**The Honourable Sir Brojendra Mitter** (Leader of the House): I also wish to express my regret that I was not in my place at the commencement of the business today.

With your permission, I make the usual statement regarding Government business next week.

As Members already know, the election of Members of the Standing Finance Committee and the Committee on Public Accounts will take place on Monday and of the Deputy President on Tuesday.

During the week motions will also be made for the election of Members to the following Committees:

1. Standing Finance Committee for Railways,
2. Central Advisory Council for Railways,
3. Standing Committee for Roads,
4. Standing Committee of the Department of Education, Health and Lands, and
5. Standing Emigration Committee.

As regards legislative business, on Monday the Honourable the Finance Member will move for leave to introduce a Bill to modify and to extend the operation of the Salt (Additional Import Duty) Act, 1931, and, later in the week, he will move that the Bill be taken into consideration. The Honourable the Commerce Member will move on Monday that the Wheat Import Duty (Extending) Bill be taken into consideration; and he will move, as soon as that Bill is passed, that the Cotton Textile Industry Protection (Amendment) Bill be taken into consideration. It is most important that these three Bills should be disposed of before the end of the week, for in the event of their becoming law they should take effect before the 31st March—the date on which the Acts to which they relate will expire.

In addition to these Bills Government will proceed with the Finance Bill, and if there is time, the Honourable the Home Member will move that the Provincial Criminal Law Supplementing Bill be taken into consideration, and Government will proceed with the Bills left over from this week. As the legislative programme for the Session is a heavy one, I may have to ask you, Sir, during the course of the next week, to direct that the Assembly should sit on Saturday, the 25th, for the transaction of official business.

#### THE INDIAN FINANCE BILL—contd.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now take up the consideration of the Finance Bill clause by clause. For the guidance of Honourable Members it may be stated that there is already a ruling from the Chair as regards amendments

[Mr. President.]

which would require the sanction of His Excellency the Governor General under the Government of India Act. It has been ruled that no sanction of the Governor General will be necessary with regard to amendments which seek to reduce taxation, but that the sanction of the Governor General would be necessary only in cases where an amendment seeks to impose a heavier taxation on the tax-payer, and the Chair proposes to follow the same ruling.

The question is that clause 2 stand part of the Bill.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): I wish to rise to a point of order. Today I find you have been pleased to permit the reversion of the order of the agenda. The agenda has been reversed, and we cannot take it up and reverse it again and take up the Finance Bill. I think the House should adjourn now and a new agenda should be drawn up so that we can consider the Finance Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair does not think that there is anything in that point of order at all. The question is that clause 2 stand part of the Bill.

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa: Muhammadan): There is a new clause to be added before that.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair had itself some difficulty as to when the amendments that stand in the name of the Honourable Member, Mr. Maswood Ahmad, should be taken up. These amendments seek to introduce certain new clauses in the Bill and the Chair would have no objection if it is desired that these amendments should first be taken up. Before calling upon the Honourable Member to move his amendment No. 1 that stands in the order paper, the Chair would like to hear from him how his amendment is in order, because he seeks to repeal section 4 of the Indian Finance (Supplementary and Extending) Act, 1931. This Indian Finance (Supplementary and Extending) Act, 1931, is not mentioned either in the title or in the preamble of the present Bill, and the Chair would, therefore, like to know how his amendment is in order.

**Mr. M. Maswood Ahmad**: If you will see the title of the Bill, it says:

"To fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894 . . ."

My amendment is also to vary certain duties leviable under the Indian Tariff Act whether those duties were added in the Indian Tariff Act by the Supplementary Act or by any other Act. I want to vary certain duties leviable under the Indian Tariff Act—Schedule II of the Tariff Act. They were raised by 25 per cent. last year by the emergency measure, and I want to revert to the position before 1931. So, I submit that my amendment is in order.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): In support of what my Honourable friend has said, I would like to draw your attention to the Statement of Objects and Reasons, where you will find specific mention made of the Indian Finance (Supplementary and Extending) Act, 1931. I submit, therefore, that the amendment is in order.

**Mr. D. G. Mitchell** (Secretary, Legislative Department): I submit that the surcharges are not part of the Indian Tariff Act . . . (Some Honourable Members: "Louder please.") I submit that the surcharges are not part of the Indian Tariff Act. They were imposed under a special Act which in no way affects the title or the preamble of the Bill. There has been no intention in the Bill to alter this Indian Finance (Supplementary and Extending) Act and any question of the alteration of that Act has not been sanctioned by His Excellency the Governor General, and any amendment of that Act would require his sanction as not coming within the sanction already given.

**Mr. M. Maswood Ahmad**: There is nothing to sanction, because my amendment seeks to reduce taxation, and not increase it.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Do not the surcharges expire on the 31st March?

**Mr. D. G. Mitchell**: Not under the Supplementary and Extending Act. There is no time limit to the surcharges imposed by the Supplementary and Extending Act. They will be repealed in due course presumably by some future Finance Act.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. All amendments to a Bill which is before the House must be within the scope of the Bill. The scope of a Bill is to be sought not in the Statement of Objects and Reasons, but either in the Title to the Bill or in the Preamble to the Bill. Honourable Members will observe that in the Title and in the Preamble to the present Finance Bill, there is no mention of the Indian Finance (Supplementary and Extending) Act, 1931. None of the provisions of the present Bill seek to touch any of the provisions of the Finance (Supplementary and Extending) Act of 1931. The Chair, does not agree with Mr. Mitchell that the amendment of the Honourable Member, Mr. Maswood Ahmad, not being covered by the sanction given by His Excellency the Governor General, would be out of order. If the Chair holds that an amendment is not within the scope of a Bill, then the question whether sanction has been given or not does not arise. Section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, which the Honourable Member seeks to repeal by his amendment, is, the Chair understands, a section which imposes a surcharge of 25 per cent. on certain items leviable to customs duty. The Honourable Member's contention in support of his amendment, as the Chair understands it, is that he wants to vary the duty imposed on certain articles, and since the present Bill seeks to vary the duties, his amendment is in order. But, under the Finance Bill, duties that are leviable under the Tariff Act of 1894 are sought to be varied, but not duties or surcharges levied under the Supplementary and Extending Act of 1931. Since this amendment is clearly outside the scope of the Bill, the Chair is of the opinion that it is entirely out of order.

**Mr. C. C. Biswas**: May I draw your attention to clause 3, sub-clause (2) which expressly refers to the Indian Finance (Supplementary and Extending) Act, 1931:

"Notwithstanding anything contained in section 4 of the Indian Finance Act, 1931, or in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duties levied imposed by those sections shall not be levied on any articles", and so on. That does seek to make a variation in that Act.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair does not agree with the Honourable Member. The Chair has made it perfectly clear that the scope of a Bill is to be sought either in the Title or in the Preamble to the Bill. A proviso, excluding the operation of a certain Act in the operative clause, does not enable the Chair or the House to find out what the scope of the Bill is. The amendment is clearly out of order.

The same remarks will apply to amendments Nos. 2 and 3 also. **Mr. Maswood Ahmad**. Amendment No. 5.

**Mr. M. Maswood Ahmad**: Sir, I move.

"That in clause 2 of the Bill, the words 'one rupee and' be omitted."

We have heard much about salt in the course of the debate. Proceedings of the previous years are full of facts and figures. So I do not want to say anything more. I will only say that India is now worse than it was at that time and so, Sir, I want to move this amendment.

Sir, I move:

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in clause 2 of the Bill, the words 'one rupee and' be omitted."

**The Honourable Sir George Schuster** (Finance Member): Sir, copying the brevity of my Honourable friend, I would say, this amendment will cost us 656 lakhs. I cannot afford it. Sir, I oppose it.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in clause 2 of the Bill, the words 'one rupee and' be omitted."

The motion was negatived.

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

"That in clause 2 of the Bill, for the words 'one rupee and four annas' the words 'eight annas' be substituted."

I am sorry I shall not be so brief as my friend from Bihar. At the same time I shall not make a lengthy speech. I shall only reiterate those points which have been urged year in and year out on the floor of the House to the deaf ears of the Treasury Benches. We know that however much we may ask for reduction in taxation, the Treasury Benches would not yield until they find it advantageous to somebody else except the poor tax-payer of India. That is a principle which ought not to guide the policy of the Government in matters like this. The destiny of more than 30 crores of people is in the hands of a few foreigners who have come 6,000 miles away. They come here with the avowed object of civilising us, of giving us law and order, peace and good government. At the same time they also tax our things with which we take our food. To tax the breakfast of a people, who have nothing else to eat but a little rice or bread with some vegetable like grass, by taxing salt is a thing which is very cruel. Looking to the whole history of the salt duty in this country, we find that there has been no consideration ever shown to

the starving millions of this country. We remember, whenever there is a deficit, the Government come in with a proposal to screw up the salt duty. It was done several times. Looking so far back as 1846, we find that when the duty on port to port trade was abolished, the salt tax was raised. When the cotton import duty was decreased, salt duty was increased. I can multiply instances like this, but I would not tire the patience of the House by saying all these things which must be familiar to every reader of the history of the salt tax. It was probably in the year 1852, during Lord Dalhousie's administration, that we find that imported salt was making an encroachment upon the indigenous industry and there was protest. Our philanthropic friends in England, represented by the Bristol Chamber of Commerce, submitted a long petition a few lines from which I may be permitted to quote:

"The price to the consumer here in England is 30 shillings per ton instead of 21 shillings per ton in India and if it were necessary to abolish the salt tax at home, it appears to your petitioners that the millions of your Majesty's subjects in India have a much stronger claim (*I would draw the special attention of the Finance Member to these words*) for its remission, in their case wretchedly poor as they are and essentially necessary as salt is to their daily sustenance."

And they conclude by saying:

"The merchants, the shop-keepers and the tradesmen of Liverpool hold it to be a sacred and solemn duty"—and *I believe the Honourable the Finance Member also holds this to be a sacred and a solemn duty*—"of the Government to afford to the people of this country the same fostering care as is and ought to be afforded to the people of this country."

With this appeal, Sir, I think the Honourable the Finance Member and the Members of the Government of India will agree. Sir, it may be asked: "How are we to meet the deficit", as was observed in the course of the reply to the amendment preceding my amendment. Sir, it is not for us, because we have not been taken into their confidence, to find ways and means: it is for the Finance Member and his colleagues to find out the ways and means. All that we can do here is to place before the House the iniquity of a tax which taxes the food of the poor. But at the same time, if I am not asking for the total remission of the tax or the reduction of the tax by one rupee, I think the figure arrived at is one which ought to be accepted in normal times as well as in times of distress. If I am to quote an authority on this point, I can do no better than quote from a few lines from the Taxation Enquiry Committee's Report which will at once convince the House of the justice of the cause I am pleading. Sir, the Taxation Enquiry Committee in their report at page 138 say:

"There is abundant evidence that the discussions of recent years have resulted in much unsettlement of the market, considerable increases of price to the consumer and profit to the dealer, with no advantage to the exchequer. Dr. Paranjpye would like to see that the rate is reduced to about 8 annas in normal times. It is usually the case that the consumption increases with the decrease in the duty."

Now, here is the first Senior Wrangler of India who says this—one who has never been guilty of being opposed to the Government of India in any way and who is a liberal politician and whose views ought, therefore, to be respected. Then, Sir, the report goes on:

"He considers that this is a legitimate source for increased taxation in case of emergency and would, therefore, keep the normal rate very low. Also he thinks that any reduction in the rate should be appreciable. Otherwise it would not benefit the masses of the people who buy their salt in very small quantities at a time."



[Mr. Amar Nath Dutt.]

Sir, we may go on with amendments for reducing the salt duty to 12 annas, to one rupee or even to Rs. 1-2-0, but, Sir, I submit that that will not benefit the poor for whom I am pleading. Sir, I think, unless one is too much obsessed by his own self-interest, he will admit that salt like water and air ought to be free to every individual. Sir, this country of course is favoured by the gods; it is defended on all sides by natural barriers of seas and mountains, it had had plenty and more than plenty at one time; but, alas, it has been cruelly subjected to famines now—more than 30 famines in the course of a century, which is the history of the past 200 years of British rule in India! To what all this can be ascribed is for economists and politicians to say, but I must say that the effect has been heart-rending, since we find millions of our countrymen perish in this country for want of simple food! To tax people in a country like this on the barest necessities of life, and on such a vital necessity as salt, without which no human being can have a morsel of food, I think, is a cruel wrong which is being inflicted on us, poor Indians, for the purpose of affording relief to other wealthy revenue-payers who do not deserve at least that much consideration that is even now shown to them. Sir, whenever there is a surplus, you will find that they hurriedly proceed to remove certain duties which do not affect 90 per cent. of the people of this country and which they are not so keen on having removed, but the salt duty is kept on. Sir, that is a thing which ought not to be in a country like this. Sir, salt is not only indispensable for a human being, but is also necessary for cattle. Those who are aware of the condition of the peasants of this country—and I appeal to my gallant friend over there, Captain Lal Chand, who is probably more familiar with the conditions of the tenantry in the Punjab than I am. I remember, when I was in a neighbouring district to that of my friend, people taking their baked wheat breads only with salt and a few drops of water mixed up and one chilly. That was the food taken when I was in a neighbouring district of his and, that, I believe, is still the food of the agricultural masses who supply us with food and sustenance.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand** (Nominated Non-Official): But what difference will the revision of this small tax make to them? They want something more. This won't make any difference at all.

**Mr. Amar Nath Dutt:** I am sorry my friend represents them as much as I do, but is he aware that they do not get even that sufficient quantity of salt that is necessary for eating their baked *chappatis*?

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** In the Punjab at any rate there is no difficulty about salt.

**Mr. Amar Nath Dutt:** Sir, my experience differs from his. I happened to have lived in the district of Hissar for some time and I have seen the condition of the people of the district which adjoins his. I am sorry, that is not the condition of agriculturists in the district of Hissar. In order to keep up the good health of the cattle for which my friend's neighbouring district of Hissar is famous, I think salt is necessary, although he may say it is not necessary in his own district; in fact, salt is more necessary and in ampler quantities than at the present moment.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** No. I admit, of course, . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Honourable Member cannot make a speech by way of an interruption. He will have his turn.

**Mr. Amar Nath Dutt:** Sir, even the case of Hissar did not awaken any sympathy in the heart of my Honourable and gallant friend (*Mr. S. C. Mitra*: "and learned friend"), yes and my learned friend, though the qualities of learning and gallantry are qualities which are hardly found together, especially in the cases I have in mind. (Laughter.) Be that as it may, I submit, that though the reduction of the salt duty down to 12 annas may bring about a little deficit in the finances of the country, I think none of us on this side of the House and I hope none on the other side also will grudge the Honourable Member finding out any other sources of revenue that he may be pleased to find in order to have a balanced Budget.

Sir, I would once more appeal to the Members of this House on behalf of the starving millions of this country and on behalf of the poor agriculturists who supply us with the daily necessities of life and also with our food to vote with me for the acceptance of my amendment and to reduce the salt duty to eight annas.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in clause 2 of the Bill, for the words 'one rupee and four annas' the words 'eight annas' be substituted."

**Mr. G. Morgan** (Bengal; European): Mr. President, with reference to what has fallen from my Honourable friend, Mr. Amar Nath Dutt, I should like to draw attention to one remark which he made while quoting from some book. He said that this salt tax should be so used that it can be increased in case of any emergency. Now, Sir, his amendment means a loss to the Exchequer of something like four crores of rupees and an increase of one anna, which I should have very much liked to have moved as an amendment, had it been possible, would have meant nearly 170 lakhs to the credit side of the Budget, which would have made us all very happy and would hardly be felt by anyone. But, unfortunately, that was not done, as I do not think I would have obtained the necessary sanction. But the idea of reducing the salt tax at the present moment to the extent of four crores of rupees is, on the face of it, absurd, and is certainly not commensurate with the benefits which my Honourable friend claims would accrue. I would also like to mention to my Honourable friend that I do not remember his present arguments being put forward when the additional salt duty which fell entirely on Bengal and Bihar and Orissa was being discussed. I think I went almost alone into the lobby against the Bill. I hope his ideas have now changed. I have nothing more to say on this amendment. It is useless on the face of it, and the loss to the Exchequer would be out of all proportion to any benefit which might accrue. I, therefore, oppose the amendment.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** Sir, I will only take a minute or two of the House with reference to the remarks that fell from the lips of the Honourable the Mover, Mr. Amar Nath Dutt. He referred to the condition of the poor peasants in the district of Hissar. I am grateful to him to his reference to that famine-stricken area and I may tell him and tell this House that it is not the salt duty that is troubling them, it is much more than that. They have no food either for human beings or for cattle and, at the present moment, people in the district of Hissar are flocking in thousands to famine works that have been opened by the Punjab Government on a paltry sum of three pice to one anna per day for digging the earth. I am grateful to him for referring to that, but I can assure him that if he on some off day will care to have a look at their grievances and to find out what relief this remission of salt duty could give them, they will all with one voice say that this remission of salt duty will not make any difference to them. Salt is such a small item in their list of expenses that it makes no difference to the Hissar peasants or for the matter of that, to any of the Punjab peasants. Of course, the Honourable Member did not refer to his own province. In his own province, it must make some difference to the tenants where I have heard that big landlords realise something like Rs. 75 per acre from their tenants.

**Mr. Amar Nath Dutt:** What is the authority to show that landlords get Rs. 75 per acre?

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** I was told so by a friend of mine from Bengal. I have no personal knowledge of that province. I daresay that hearsay evidence is also relevant in some cases. I was told that some of the Bengal landlords realise as much as Rs. 75 per acre from their tenants and give nothing to those tenants to subsist upon. Of course, to them it will make some difference. I was expecting my friend, Mr. Amar Nath Dutt, to make some constructive proposal in order to meet the deficit. Since he has not made any such suggestion, may I suggest one which will not create any hardship to him or to any of the poorest classes. That proposal is that the minimum taxable limit for income tax purposes be brought down to Rs. 500. By doing so, the poor people will not be taxed, but the middle class people will be taxed who can bear this burden. If he agrees to this suggestion, then we can both unite and approach Government to remit this tax.

**Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural):** I feel, Sir, that this question of salt is being very lightly treated in this House today. Year in and year out, in season and out of season, this question of salt tax has very much attracted the attention of the public and of this House. Sir, I must submit that this salt tax is considered not only by me, but by a very high authority, as a blemish and a reproach upon India. Sir, I should like at once to support myself by giving a quotation from the speech of Mr. MacDonald, the present Premier, which he made some years ago. Those words will speak for themselves how this tax is considered by even very high authorities. These words are printed in the debates of this House of 1929, Volume III, page 2319. He said:

"The salt tax has been long regarded as a blemish on our Indian fiscal system. The salt tax is exaction and oppression and if the people understood it, it would only bring discontent."

Sir, I think I am right in saying that the country has undergone great discontent because of this salt tax. It was due to this salt tax that the present civil disobedience movement and the Satyagraha movement were brought about. Briefly put, there have been protests against this salt tax ever since it was imposed and, from time to time, there have been protests, and the history shows that the House has at times succeeded in throwing out this salt tax altogether which, however, had been restored by certification. I have certain figures from the year 1915-16. In 1915-16, the tax imposed on salt amounted to Re. one per maund. This tax continued till 1921-22, and then it was raised to Rs. 1-4-0. In 1922-23, an agitation was made and this House threw out the whole tax. But unfortunately Members are not supposed to be responsible at present and, therefore, by certification this tax was reimposed.

Sir, in 1929, again, an effort was made to abolish it, but it was then only reduced to one rupee. Next, in 1930, it was raised to Rs. 1-4-0. Then came the time in 1931 when, as this House and the public know, insult was added to the injury and a surcharge was put upon it to make it Rs. 1-9-0 in all, which is the duty now. I submit that this is the tax which is absolutely unjustifiable. Salt is made in India and it cannot possibly be understood why there should be a tax on its production in India when poor as well as rich people consume this salt as a necessity of life. Sir, the imposition of this tax in 1931 with a surcharge led to the civil disobedience movement and all know that Mahatma Gandhi went to Dandi to make his own salt. The effects of this civil disobedience movement are still in evidence. If Government claim that they have put that down, at any rate they have not crushed it. Therefore it is wise that this tax which is a poor man's tax as well as that of the rich should not be continued. It will be argued now-a-days that because there is a deficit Budget, this tax cannot be done away with. That is no argument at all; that would apply to any tax and then there can be no question of reducing any tax whatsoever.

Then, Sir, connected with this tax there is also another question which I must refer to and on which I will speak on Monday when that Bill with regard to giving protection to salt is taken up. This excise duty has some bearing on the protection question which the House will consider for the Indian industry. I, therefore, would be justified to refer to it. In my constituency, Sind, the merchants of Karachi and the producers of salt there have wired to me saying that the protection which is now given to the Indian manufacturer with regard to this salt which is at present four annas and six pies against foreign salt should be maintained. On account of new foreign salt works companies having started salt manufacture in Italian ports, the Indian salt producers are very much affected by its import, and, therefore, they have asked that there should be more protection given to them. What I submit is that if the protection is continued, it will substantially support the Indian industry and, if this excise duty is reduced, it will go to help the consumer. On that point I will put the case on Monday, because at present we are told that there is actually this question considered by a Committee whose report will be placed before us soon. I think, therefore, it will now be premature for me to put forward facts and figures justifying that my constituency is entitled to protection. At any rate, there should be no reduction in the protection which they have been given as it will be a suicidal policy to reduce it

[Mr. Lalehand Navalrai.]

because we will then be stultifying ourselves, since we want the Indian industries to grow and develop. It will be an absolutely retrograde process to do away with the protection. The Indian salt industry is in its growth and people are trying to have more manufacture of it in India. I know that Bengal and Bihar want that the protection should be reduced; but I must remind them that it is Bengal which had the credit of and responsibility for bringing Swadeshism into India. If they say now that there will be no protection to the Swadeshi article made in India, they will be simply laying themselves open to a reproach.

Then, Sir, coming back to the question of this revenue tax on salt I do feel that it should be removed altogether. But if not abolished wholly as other amendments are being moved, it should at least be reduced considerably. To say that there will be no reduction at all is absolutely unreasonable. Sir, I support this motion.

**Mr. C. C. Biswas:** Sir, I am glad that my friends here today are up in arms against the salt duty. I wish they had extended a little of that sympathy to Bengal and Bihar, when two years ago I had the misfortune, almost in a hopeless minority, from my seat in this House to enter my protest against the imposition of an additional duty on salt consumed in these two provinces. My friend who just now spoke before me was no doubt feeling somewhat uncomfortable in his own mind when he was pleading for the abolition of the salt duty, because he knew very well what his attitude and the attitude of some of his friends was on that occasion in 1931. That is why by way of an apology he went on to defend . . . . .

**Mr. Lalchand Navalrai:** Sir, on a point of personal explanation, I was not here in 1931.

**Mr. C. C. Biswas:** I am sorry my friend was not here, but others in his place had taken up the same attitude, and it makes no difference, because my friend has left us in no doubt whatsoever as to what his attitude in regard to Bengal and Bihar will be on Monday next. He has told us quite frankly that he is going to plead for a continuance of the additional duty on salt. I can assume, therefore, that if he were here in 1931, he would have done exactly the same. My friend wants to distinguish that duty, on the ground that it is a protective duty. But, Sir, if the manufacturer of Indian salt requires protection, may I ask my friend and those who are of his way of thinking, why the protection should be at the cost of only Bengal and Bihar? Why will not my friends join with me in asking for the grant of a bounty which will come out of the Central revenues? Why should not be the whole of India give protection, if it is a question of protecting an Indian industry? But no; Bengal and Bihar must be bled for the rest of India! When I say this, I do not for one moment justify the existence of this salt duty of Rs. 1-4-0 plus the surcharge. As I had occasion to point out in my note of dissent in 1931, the salt duty should be taken off altogether. If Government are genuine in their concern for the promotion of the salt industry of India, it is up to them to remove this tax altogether. But, if the salt duty was to be raised in Bengal and Bihar, why could it not be raised for the rest of India as

as a whole, especially when they wanted more revenue? No, on political grounds the salt duty was sacrosanct. They dare not raise the duty even for the sake of revenue, but they have had no hesitation in saddling Bengal and Bihar only with the additional imposition. Sir, I join with my Honourable friends that salt should be free of duty altogether. No doubt, we are in very difficult times financially, and Government have got to find the money to fill the gap in their Budget. All the same, Sir, if it is possible to lighten the poor man's burden, nothing ought to be left undone which may achieve that result. If, on the other hand, revenue is the sole concern, then it is only fair that the burden of such revenue from salt should be distributed evenly over all the provinces of India.

**Mr. Muhammad Muazzam Sahib Bahadur** (North Madras: Muhammadan): Sir, I am afraid I shall have to take the amendment of my friend, Mr. Amar Nath Dutt, with a grain of salt. (Laughter.) I entirely agree in the view taken by my Honourable friend when he said that the imposition of any duty should be completely removed, as salt is an article of daily consumption quite as much for the poor as for the rich. But, on the other hand, I do not feel that any useful purpose would be served, situated as we are facing a deficit Budget, by trying to reduce the existing duty imposed on salt and the duty on the surcharge. As a matter of fact, of all the amendments which have been proposed, this one of Mr. Amar Nath Dutt's is the most effective amendment, but my contention is that if the effect of any reduction in the duty now existing on salt will be to create a deficit of about 4½ crores, as stated by my Honourable friend, Mr. Morgan, then, I think, that he would not be justified to press his amendment.

**The Honourable Sir George Schuster:** Sir, I am sure that my Honourable friend, Mr. Amar Nath Dutt, who moved this amendment will realise that I sympathise with his desire to help the poor, and I am sure that he on his part also sympathises with my desire to preserve a balanced Budget. He and I have had many exchanges on this important question and I had occasion to think as I listened to his speech that he and I might adopt the procedure of saying to each other: "Please see my speech in the Legislative Assembly on the 7th March, 1931",—or indeed we might go even further back than that. In that way we might save the time of the House. My simple and effective answer is that in this case, as in the case of the earlier amendment, we cannot afford to do anything but to oppose it. It means a loss of 492 lakhs, and I think it must be obvious to everybody who has followed the course of the debate that a gap of that kind could not be filled. Therefore, on these grounds I must oppose my Honourable friend's amendment, and I reserve anything that is to be said on the additional duty on salt to the proper occasion for discussing that subject.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in clause 2 of the Bill, for the words 'one rupee and four annas' the words 'eight annas' be substituted."

The motion was negatived.

**Mr. Amar Nath Dutt:** Sir, if I failed in succeeding to carry my amendment No. 6 to reduce the salt tax to eight annas, that does not prevent me from moving my amendment:

"That in clause 2 of the Bill, for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

This amendment reduces the salt duty to twelve annas. I know also that this will, as Mr. Morgan has said, give us a deficit, though less than 4½ crores—it will be about three crores—and, if that be the argument, I can well foresee what would be the fate of this amendment. But it may be asked, then, why do I persist in moving amendments which will not be carried in the House and which are sure to be negatived. Sir, I beg to submit that the reasons are very clear. It is in the interest of the poor people that we have to do our best, whether we succeed or not, we **have** to do our best and fight the battle. Sir, our religion and philosophy teach us not to care for the fruits of our struggle, but to go on doing our duty—viz.:

*"Karmayyeba Adhikarasto Ma Faleshu Kadachan"*

—and we have a right to try to convince the Treasury Benches about the justice of our claim. Sir, we are really grateful to the Honourable the Finance Member for the sympathy which he always has shown to relieve the burdens of taxation and we also appreciate his keen desire to give us the relief if it was possible, but he has, I submit, omitted one way of looking at things, i.e., to get some of our leaders together and consult them on these matters, viz., which taxes will tell heavily on the poor and which taxes can be borne, and then to give the Honourable the Finance Member an idea of a sum which will not bring his Budget to a deficit, but will leave a little surplus. He has not done so. I am obliged to say that we have no other alternative, in spite of his sympathies in this matter, to move our amendments and see whether or not it makes an impression on them or on the House for the matter of that.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in clause 2 of the Bill, for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** Sir, as my Honourable friend, Mr. Amar Nath Dutt, is persisting, so I take him seriously, and I may point out on behalf of the peasant that it is not the salt tax that is teasing them, but it is the salt policy of the Government with which they are affected and which needs revision. (Hear, hear.) Honourable Members will remember that formerly salt used to be manufactured in British India as well as in Indian States about the year 1879 or 1880. They used to manufacture huge quantities of salt, and people in those salt areas were very well-to-do. All those people who used to manufacture salt have been actually ruined at present both in British India as well as in the Rajputana States. So far as the States are concerned, the arrangement that Government arrived at with Indian Princes was that they should be given a fixed contribution annually from Government to supplement their own income, but not a pie was given to the poor manufacturers that used actually to manufacture salt. If anybody wants to make an inquiry, he may go to Bharatpur, Alwar, Dholpur and all these Rajputana States, and he will find that large areas used to be

occupied by salt manufacturers and they have now been turned to jungles. Similarly Farukhnagar in the Gurgaon district, used to be a centre for salt manufacture and there too the people have suffered heavily. If that policy can be revised, it would be a relief to the poor peasant, but this salt tax is only a flea-bite; they do not mind it; whether the peasant purchases salt at 16 seers per rupee, or at 14 seers, if this is accepted, or at 18 seers for the matter of that, he does not mind. Salt is a very small item in their expenditure . . . . .

**Mr. Lalchand Navalrai:** Has the flea ever bitten you?

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** I know more of the peasants; but, as I said the other day, it always pays my Honourable friends on that side to attack Government in the name of the poor people, in the name of the peasants, etc. (Interruption.) My submission is simply this: that if they are to be helped, the salt policy should be revised and the remission of a few annas will not help them at all.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadian Rural): Sir, I am really surprised to see my Honourable and learned friend attacking the salt policy of the Government and, at the same time, supporting the impost of Rs. 1-4-0 per maund. As I understand it, the salt policy of Government is dependent upon the heavy revenue they derive from the salt tax. If the salt tax is remitted altogether, there would be no salt policy of Government and then every person will be free to manufacture salt anywhere and everywhere he likes and any amount of salt can be imported from outside. But Government wish to derive a very large revenue from the manufacture of salt and, therefore, they have imposed this duty and, at the same time, in order to secure that revenue, they have formulated their policy. Now, my Honourable and gallant friend is against the policy and is in favour of the imposition of the salt tax. If one is to remain, the other cannot be removed, and, therefore, I may assure my friend that if the salt duty is to be retained, then the policy of the Government is all right in order to secure that amount of revenue, and, therefore, both are inseparable. I oppose both.

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhammadian): Sir, I do not agree with my Honourable friend from the Punjab when he said that the salt tax did not press heavily upon the poorer classes of the people. In fact the salt tax presses upon the poorer classes much more heavily than on others, and the Indian National Congress in their earlier years made the abolition of the salt tax a prominent plank of their platform. I quite agree with my Honourable friend when he says that the salt policy of the Government is not in many respects sound. India is peculiarly a country which is capable of manufacturing an unlimited quantity of salt if the right course is pursued. India is surrounded on almost all sides by saltish seas: it has got salt lakes and it has a very salubrious climate with plenty of sunshine, and it has a climate under which salt could be manufactured to the best advantage in the interests of the country. But the policy pursued by the Government is not conducive to the accomplishment of that object. While the gates of India are flung wide open to the import of salt from all countries in the West, I regret to say that salt, manufactured in Indian States, in Indian India, is not allowed to enter in all ports of British India . . . . .

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** Indian States are not allowed.

**Mr. Gaya Prasad Singh:** That is just what I am saying: that is the point that Indian States are not allowed to import salt into all parts of British India, on the same terms as salt from foreign countries.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** They are not allowed to manufacture even.

**Mr. Gaya Prasad Singh:** A few years back I had occasion to visit Kathiawar and visited the salt works at Port Okha and Kuda, situated in Kathiawar, and I was surprised to learn that salt manufactured in those places was not allowed to enter into all parts of this country. Salt manufactured in those places is, I understand, allowed only into distant Burma and Bengal where it is not economical to sell or import it. I brought this matter to the notice of my Honourable friend, the Finance Member, if he remembers it, both in the Standing Finance Committee and also on the floor of the House, and my friend promised to look into the matter. Thereafter, I understand, this rule imposing a ban on the import of salt from Kathiawar, for instance into parts of Bihar and United Provinces, has to some extent been removed, and that was also due at least partially to the fact that about a couple of years back there was a flood at Khewra which washed away a large quantity of salt, and it was, therefore, necessary to relax that ban and to allow salt from Kathiawar to be imported into some of those parts where it was not imported before.

There is one little matter which was pressing very hard upon a class of poor people of this country—I mean the Luniyas. These in the past had been allowed to manufacture salt on payment of four annas per year as licence-fee, and they used to get a certificate from any post office that was near to their homes. But, later on, this fee was raised to two rupees per year, and it was also stipulated that this money should be deposited in the treasury at the district headquarters. That was, I submit, a narrow and short-sighted policy and it resulted in killing the saltpetre industry of this country. Later on, I brought this matter also to the notice of the Government and of my friend, the Honourable the Finance Member. I am speaking just now on the spur of the moment without looking up references, and, if I am wrong in any of my statements, I hope my Honourable friend will correct me. But he was pleased to look up the matter and revert to the old practice, namely, a licence-fee of four annas for the Luniyas, and the licence was to be issued by the post office. For instance, in a place like Orissa which is peculiarly appropriate for the production and manufacture of salt, and where we have now to depend mostly upon supply from outside sources, the imposition of the salt duty has, to a certain extent, killed the salt industry of the country. But most of the salt manufactured in Aden is manufactured by some Italian concerns. There are two or three other concerns somewhere in that locality and the profits go to foreign countries, while the import duty imposes an undue burden upon the consumers in my province and in Bengal. Therefore, I would seriously ask the Government to revise their salt policy and to remedy whatever defect there may be in that policy.

I quite realise that the salt duty, if it is lowered, will bring about a serious situation in the budgetary position of the Government of India, but if this is not the proper time to do it, I hope that the earliest opportunity will be taken to lower the salt duty and to revise the salt policy of the Government.

**Pandit Ram Krishna Jha** (Darbhanga *cum* Saran: Non-Muham-madan): Sir, it comes to me as a surprise that my Honourable friend should say that the reduction of salt duty from Rs. 1-4-0, to Rs. 0-12-0 will not mean any relief to the poor people. Perhaps my Honourable friend has not studied the condition of the poor labourers in the villages, nor, as my friend put it, is salt a very small item in their daily expenses. Now, what other expenses have they got? They have to buy salt out of their wages which is barely three seers of grain, as a crushing necessity. They have hardly left much to spend for luxuries, and it is a surprise to me that my friend should say that salt is a most insignificant item in the expenses of the poor. I submit that the reduction of the duty from Rs. 1-4-0 to twelve annas will afford considerable relief to the poor. What else have they left to spend on? They get barely one anna a day as wage, and, out of that small sum, they have to buy salt along with other absolute necessities for bare existence, and no butter and no loaf can they expect. My friend has evidently no idea of the adversities of the poor people.

As regards the Luniya class of people of our parts, Mr. Gaya Prasad Singh is quite correct that the salt industry is completely killed, and those families have been completely ruined. I submit that it is high time that the Government revised their salt policy, and I wholeheartedly support my friend's amendment.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muham-madan Urban): My excuse for intervening in this debate is that large questions of policy have been incidentally raised and questions which are of a very intricate and complex nature. My Honourable friend, Captain Lal Chand, raised the question of the grievances of the Indian States or of the subjects of Indian States with reference to the manufacture and sale of salt, and he was supported by my Honourable friend to my right, Mr. Gaya Prasad Singh. I should have thought that the Indian States could take care of themselves and they had an agency which was organised for the purpose of taking care of individual States and of States collectively.

As these questions have been raised on the floor of the House, I feel it my duty to explain the position a little more clearly—the position which has been very much elucidated by the elaborate investigation and enquiry of the Committee which was presided over by the Right Honourable Mr. Davidson. It is obvious to any one that if salt is to be a source of central revenue and if the British Indian Exchequer should derive the

[Diwan Bahadur A. Ramaswami Mudaliar.]

full benefit of that tax, there ought to be no opportunity for the influx into British India of salt manufactured by any other agency in India and not controlled by the Government of India.

If you go into the history of the salt tax, you will find that a tax on salt has been levied from immemorial times almost, that it was certainly levied, as a matter of historical fact, by the Mughal Emperors, and that the British Government inherited that wise or vicious power of taxing salt, whatever one may call it. At a very early stage, the East India Company found that the manufacture of salt by several Indian States and their importation into British India seriously jeopardised the revenues which they claimed or they were expecting from the salt taxation in British India. Therefore, by various agreements made—in some instances as early as the latter part of the eighteenth century, over 150 years ago—certain States gave up the right of salt manufacture and received compensation. These agreements were continued to be made from time to time by the East India Company with reference to Indian States, the East India Company acquiring the monopoly of salt manufacture, precluding individual States from manufacturing salt, and giving them compensation by way of money. In 1869, it was found that there were several States which did not come within the agreements, and either earlier than that date,—I believe it was earlier,—or at any rate, in 1869, there was a cordon from the river Indus down to the southernmost part of the Central Provinces whereby salt producing States in Rajputana, in Central India, Bahawalpur to which specific reference was made by my Honourable friend, the States of Kathiawar, and Cutch were prevented from sending into British India any salt which they were manufacturing. That cordon is calculated to have been of the length of nearly 2,500 miles. The Government of India at that time had to engage about 12,500 superior and subordinate officers and menials to prevent the importation of this salt at a cost of something like Rs. 15 lakhs. In 1869, the Government of India, faced with this fact, and with the enormous amount of expenditure that was involved in preventing the illicit importation of salt from Indian States, further strengthened their policy of coming into individual agreements with States, and many Indian States from that year up to the year 1880 or 1885 came into these agreements. There were a few States which did not come into these agreements, and as a specific reference has been made to the Kathiawar States by my Honourable friend, Mr. Gaya Prasad Singh, and to the port of Okha, I should like to explain the position. By 1885, practically all the States had come into some sort of agreement. Travancore and Cochin, the southernmost maritime States, which had a long sea-board and exceptional facilities for the manufacture of salt came into an agreement in a different way. The consideration of the British Government was that their revenue should not be jeopardised and, therefore, it was agreed that though the States of Travancore and Cochin would have the right of manufacturing salt they would sell it at the same price as the British Indian salt, so that there was no danger of incursion into British India of salt manufactured either in Travancore or Cochin. There were other minor points in the agreement which need not be referred to now in considering the present issue. With reference to the States of Kathiawar the position was different. They would not come into any agreement at all and, therefore, the Government had to establish a cordon again. The Government said that Kathiawar States cannot send any of

the salts manufactured in their areas into British India, and it was right that they said so, because otherwise the revenues of British India would be seriously affected. They did not come into line by selling at the rates at which it was sold in British India. Therefore, there is no grievance so far as the Kathiawar States are concerned, whether Nawanagar, or Porbander, or the State which is associated with the honoured name of my friend, Sir Prabhashanker Pattani, Bhavnagar, or any of the other States, because they can manufacture salt as freely as they can for the consumption of the people of their States with or without duty levied by the States. The only thing that has been prohibited is the entry of that salt into British India. Even there the Government of India, who, in my opinion, are more anxious to placate the Indian States than to safeguard the interests of British India, in some cases made an exception with reference to a kind of salt that was manufactured by the Kathiawar States. Those States could manufacture salt which is so hungrily consumed by my Honourable friends from Assam, Bengal, and Bihar and Orissa, and for their sake the British Indian Government said that the Kathiawar States could ship salt into the Calcutta port and, at the port of destination, the duty was levied on that salt similar to the duty which is collected on salt which is produced in British India. It is under that agreement that the Kathiawar States now ship salt only to the Calcutta port. They cannot send it either by sea to any other port, or by land to any other place in British India. I fail to see where the grievance comes in over which my Honourable friend, Captain Lal Chand, enthused a little while ago. If the salt factories are closed, they had been closed before the memory of any living man in this House, so far as many States were concerned certainly most of them were closed more than fifty years ago. Compensations have been given to various State rulers for the loss which they had suffered. In many cases it comes to lakhs of rupees and in certain cases it comes to tens of thousands of rupees. It may be that the compensation, calculated on the present basis, may be slightly higher or even substantially higher than the compensation paid then, but it is just as if my Honourable friend, Captain Lal Chand, sold a house of his 20 years ago in his district for Rs. 10,000 and said, "What a pity that I sold it then! If I had sold it now, I would have got Rs. 30,000."

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** With your permission, I should like to say this. I did not mean to say that the States suffered. I meant that the peasants, who actually manufactured salt, the poor peasants suffered. Water in the wells is brackish and it is only useful for manufacturing salt. They have all been ruined.

**Diwan Bahadur A. Ramaswami Mudaliar:** I thought I had explained that in many cases they had been closed more than fifty years ago, but since my Honourable friend has specifically raised this issue again, I should like to bring one consideration more to the notice of the House. The manufacture of salt is not as simple as it at first sight seems. There are various tests conducted by efficient officers of the Department—brine tests as they are called, and it is not as if by merely exposing salt water to solar rays you could manufacture salt, because, if that is so, it would be poisonous salt and not good, healthy, edible salt at all. In many States there were no regulations, there was no supervision, there was no control, and salt, mixed with earth, and positively atrociously bad, was being



[Diwan Bahadur A. Ramaswami Mudaliar.]

consumed in those places, and that was one of the reasons why the Government of India stepped in, acquired this monopoly of manufacturing salt and prevented areas in the States from manufacturing salt and closed down those works. This question was examined very carefully, as I said, by the Davidson Committee report and, in view of the fact that salt is a Federal subject, the whole issue is under consideration again. If the States come into the Federation, this is one of the difficulties that would be automatically solved. We need have no cordons of any kind, nor an expert staff which will examine how much salt is dumped into British India, and so . . . .

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** Is there any authority to show that there was poison in that salt and people used to die?

**Diwan Bahadur A. Ramaswami Mudaliar:** My Honourable friend can always get sources of information from the quarter which nominates him. I am sure, if my Honourable friend reads the volumes relating to the Administration of the Salt Department in the early eighties and nineties, he would get all the information he wants on this subject. I intervene in this debate only to show that this is not one of those questions in which we can afford to find fault with the Government of India, because if the Government of India have acted at all in this matter, they have acted in the interests of British India. Our complaint would rather have been that they give too lavish a sum from time to time as compensation to the various States and that these compensations were not justified. That has been our experience in various other matters where the question of immunities and compensations arise between the States and the Government of India, where the Government of India have not followed a uniform policy and, if I had to speak at all on this subject, I would have spoken in the direction of finding fault with the Government for having been too lavish. Incidentally I should like to state, in answer to some of my friends who do not see the wisdom of an all-India Federation, that these and like questions regarding customs and many other problems which would become absolutely insoluble if States and British India worked in water tight compartments could only be solved by Federation and, it is on account of these considerations, that we believe that in an all-India Federation lies the true solution of the Indian problems.

**The Honourable Sir George Schuster:** I am sure, we are all very much indebted to my Honourable friend who has just spoken for his extremely lucid and interesting account of a matter which is of some importance. I am afraid, however, that I myself am not free to choose the most interesting aspects of this matter and I think it is high time that Mr. Amar Nath Dutt and I got down to the strict business before the House which is the question as to whether the salt duty is to be reduced. As to that, all I can do is to repeat the objections which I raised to my Honourable friend's former motion, with 66 per cent. of their former strength, because my Honourable friend's present motion would only reduce our revenue by 328 lakhs as compared with the 492 lakhs of his former motion. I am afraid, I can see no way of finding this 328 lakhs. I do not know whether my Honourable friend is going down the decreasing scale of his amendments.

but I would remind him that he is coming very near the error which he himself pointed out in his opening speech that if any reduction in the salt tax is to be made which is to have any sort of value to the retail consumer, it must be a substantial reduction. I suggest that he is getting very near the limit from that point of view, though, as regards the effects on revenue, the reduction would be very substantial and embarrassing. I oppose the amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in clause 2 of the Bill, for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

The motion was negatived.

**Mr. M. Maswood Ahmad:** Sir, I move:

"That in clause 2 of the Bill, the words 'and four annas' be omitted."

The amendment will mean that the tax will be reduced from Rs. 1-4-0 to rupee one. The Finance Member had said that the Budget is a balanced Budget. If that is so, I suggest that by accepting this amendment the Budget will not be affected very much. It will remain a balanced Budget. You will see in the Explanatory Memorandum on page 10 that the increases of revenue have been much more in the actuals than in the estimates. In 1931-32, the revised estimate was 8,48 lakhs of rupees, while the actuals were 8,58 lakhs of rupees. In 1932-33, the estimate was 9,44 lakhs of rupees while the actuals were 10,38 lakhs of rupees. I say, therefore, there is no ground for them to expect a less amount this year. They have expected this year 8,75 lakhs. The Honourable the Finance Member has not mentioned what is the reason for this amount to be decreased.

**The Honourable Sir George Schuster:** I do not want to interrupt my Honourable friend, but I think I mentioned three times in my speech the reason why there was this decrease.

**Mr. M. Maswood Ahmad:** I am sorry, I could not follow. I shall be very glad to hear the reasons again even if it is the fourth or fifth time. If the public will consume the same amount of salt and the duty is the same, then the amount of revenue must be the same, and, by this motion, I ask the Government to reduce one fifth of the total. I have said that the revised estimate was larger than the original estimate and the actuals were larger than the revised estimate. So there is good reason for reducing the tax to rupee one. Also, Sir, I say that the Government of India must change their policy. Their present policy has affected Bihar very much and many Luniyas have stopped the work of preparing the salt. During the Mughal reign, Bihar was supplying salt to other provinces. Apart from this, I will say that the public is feeling it very much. I do not agree with my friend, Captain Lal Chand, that, whether it is 16 seers or 14 seers, the public will not feel it very much. I say, the public certainly will feel it, though my friend may not feel it. I remember a story, Sir, that a king once in the time of famine, asked a barber: "What is the condition of the country?" He said that everyone in the country has got two guineas in his purse. But when he turned to the minister and the minister asked the barber to go out and see the country and when the barber was out, the

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minister opened the barber's purse and there he found two guineas in the purse of the barber. The minister took away those guineas, and when the barber came back, the king asked him: "What is the condition of the country?" The barber, seeing his purse empty, replied: "Now the country is poor." So is the case with my friend, Captain Lal Chand. (Laughter.) Whether it is 16 seers to the rupee or 18 seers to the rupee, he does not mind, he thinks that the public do not feel it at all. Sir, I tell you, the public feel it and they feel it very much over this salt tax. They have filled the jails. They have lost their brothers and children. They have suffered *lathi* charges over this salt tax, and that is ample proof of our contention that they are feeling it very much. What more proof my friend wants? With these words, Sir, I move my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukhan Chetty): Motion moved:

"That in clause 2 of the Bill, the words 'and four annas' be omitted."

**Mr. Amar Nath Dutt:** Sir, if I rise, it is not to move my amendment No. 10, but in order to support the amendment which has now been moved by my Honourable friend, Mr. Maswood Ahmad.

Sir, the wording of this amendment is a little difficult and may give rise to some confusion in the minds of Honourable Members who have not perused the Finance Bill with care. But my amendment and his amendment are really one and the same. He puts it "by omitting four annas" from Rs. 1-4-0, and I say "let Rs. 1-4-0 be substituted by only one rupee".

**Mr. Gaya Prasad Singh:** He is getting the credit of moving an amendment.

**Mr. Amar Nath Dutt:** My friend says, he is getting the credit of moving an amendment, and I will also have the credit of supporting it. Be that as it may, I beg to submit that the reasons, which I at the outset gave in moving my first amendment, apply with greater force to this amendment. Sir, no doubt here also I shall be faced with the same statement that it will leave a deficit of about two crores or a little less. Sir, as I have already submitted, it is not our business to see whether there will be any deficit or not. It is our business to put before the House which tax the people can bear with impunity and over which tax there is always a protest by the people and their representatives. It has been said by my friend, Captain Lal Chand, that whether salt is sold at 16 seers to the rupee or at 18 seers does not make any difference. Sir, for members of the bar, who get a few hundred guineas only for a single Sessions case, I think it is impossible to appreciate what difference one pie even makes in the Budget of a poor man. So I am not at all surprised by his argument; on the other hand, I am thankful to him for having brought out the fact of the salt policy being, as he described it, at the root of all this misery. So, on this point, I find that he is with us and if he has felt that the salt policy of the Government is at fault, I think there will be no difficulty for him to support the object of minimising the evil underlying that policy. At least here is only a reduction of a few annas which will give some relief to the poor man for whom he speaks so often!

Sir, with one argument of his I am unable to agree and that is this. We often take up the name of the poor in order to attack the Government. Sir, we are not here to attack the Government: we are here almost on our knees on behalf of the poor people to beg of them to give some relief to them, that is not a humiliating position for those, the representatives of the people, who go on their knees with their begging bowls before the Treasury Benches. Sir, to do so on behalf of the poor, on behalf of the starving, on behalf of the down-trodden millions of this country is no humiliation, but, on the contrary, it is ennobling, it is elevating. (Hear, hear.) Sir, it is no attack upon the Government to say that you can have your Budget balanced by any other means you like. No doubt if you wanted to consult us and our Leader, as he is ready for co-operation, no doubt we may have found out ways and means, but you have not asked us to help you. It is thus our business only to show that we are under the thralldom of a crushing burden of taxation which the people cannot any longer bear, and, therefore, any little amount of relief that you may be pleased to give us will be acceptable to us. Sir, I warn the Treasury Benches, it is no good taking money from the pockets of the very poorest and then squandering that on the extravagant salaries of the officers of the Government. What we say may not be palatable to some, but I think we are not here to see whether our suggestions are palatable to anybody or not; we are here to advocate the cause of the poor. Sir, the argument that I have already adduced, when I moved my first amendment for the reduction of the duty to eight annas, I consider, is a fair and reasonable one, in view of the fact that the manufacture of a maund of salt works at about an anna and a half and the establishment and other charges would bring it up to about four annas, and, so, if my friend had accepted the reduction to eight annas, there would still have been left from the poor man's food a four annas' profit for the Government; and I think that while the tax no doubt is in the nature of a poll tax, which may be characterised even as an *Anglo-Jezia* inflicted on India, it would have been better if they were satisfied with an eight annas or even twelve annas duty. But, as they are not satisfied with that, I once more support the plea of reducing it to at least one rupee. With these words, Sir, I support the motion of my Honourable friend.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I assure my Honourable friends, the Mover and the supporter of this cut, that I have as much sympathy for the poor people of this country as they have. If I rise to oppose this motion, it is not because I have no sympathy with the poor man in India. But really I think a reduction of four annas in a maund will not at all help the poor man; on the contrary, it will go only to help the middleman, who always profiteers by such arrangements. Sir, my learned friend, the Mover of the motion, said that there was a surplus Budget and that, therefore, this small cut should be allowed.

**Mr. M. Maswood Ahmad:** I did not say that this Budget was a surplus Budget. I did not say that.

**Sir Muhammad Yakub:** Well, if there is no surplus Budget, then I would submit that after passing the expenditure programme unchallenged, my friend has no right constitutionally to refuse the revenue. On the other

[Sir Muhammad Yakub.]

hand, I submit that even if there is a small surplus in the Budget of the country, that surplus amount can better be utilized by restoring the cuts from the grants for educational institutions in the country.

While I was making general remarks on the Budget, I made it quite clear that the Government of India were spending very little money on education and that, even from that amount, they had made a cut of ten per cent. I submitted, on behalf of the Aligarh Muslim University, that for want of funds that University was badly suffering; they had already opened a new Science College which required a large sum for recurring expenses. I also submitted that the Aligarh University had to face a deficit Budget. Therefore, I submit, that even if there is a surplus Budget, then by reducing four annas per maund in the excise duty of the salt, my learned friends will not help the poor man. I again repeat that this sum of four annas will not reduce the price of salt by a single pie; on the other hand, this will go to the middleman. But, if this small surplus is spent on the educational institutions of the country, it would help the education of the country. In this way, I think, the surplus would be better utilised than by reducing the excise duty on salt. For these reasons, I oppose this cut.

**Sirdar Harbans Singh Brar** (East Punjab: Sikh): Sir, I feel that some relief is very badly called for in the interests of the poor peasantry and this amendment, unlike the last ones, is quite a reasonable one, because it provides Government with a sufficient amount of revenue and gives a decent percentage of relief to the peasantry at the same time. The peasants in the villages get their grain for bread by cultivating the land; they grow cotton and get their *khaudhar* made in the village industry. The only article of necessity which they have to buy is probably salt or pepper to take their food with. In this period of financial depression, I think it is our duty to provide some relief for them, so that they may pay a little less than what they are paying now on articles which they must of necessity buy. I have no doubt that my Honourable friend, Sir George Schuster, will be as sweet and polite as well as responsible to the needs of the peasantry as he has been to the Civil Services for whom he has provided a relief of five per cent by way of reducing the temporary reduction in their salaries. There is another difficulty which has come to my mind. Whenever Government give relief in the salt duty, the Provincial Governments—at least in the Punjab it once happened—realise almost the same amount or perhaps more by increasing the land revenue. Whenever the Government of India ask for provincial contributions and the Local Governments suffer in their revenue, they always try to make the financial deficit by raising the land revenue. Be that as it may, I feel that it is our duty to the masses in the country, especially in view of the fact that we are expecting a new Constitution in the near future and adult franchise following it that we must give them some relief in these very bad times and reduce the salt duty from Rs. 1-4-0 to Re. one, so that they should have a reasonable relief without the Government suffering much by way of a loss in their revenue. With these few words, I commend the amendment for the acceptance of the House.

**Hon. Captain Rao Bahadur Chaudhri Lal Chand**: Sir, I had no idea of intervening in this debate further, but it seems to me that my Honourable friends on my right seem to think that I am the author of

this salt tax. The position is simply this. Up to this time, my Honourable friends had been discussing the economic side of the problem. They had been appealing in the name of the poor agriculturist or the poor man in the street on the basis of economy in his expenditure. But now the cat is out of the bag. My Honourable friend, Mr. Maswood Ahmad, has referred to the *lathi* charges in reference to this tax. The history of those *lathi* charges is fresh in our minds and I need not repeat it. All that I would say to my Honourable friends is that, instead of appealing in the name of the poor agriculturist, they ought to have had the courage of their convictions and ought to have attacked this tax on political grounds. That would have been more honourable and more straightforward. (Mr. Lalchand Navalrai: "Would you have then helped"? ) If I had thought that that was the proper thing to do, I would have helped them. But I find that it was nothing more than the exploitation of the masses. I would not allow the illiterate and the ignorant people of the villages to be exploited by the more intelligent section of the population for political purposes and, therefore, I cannot hold out any hopes of supporting such a political measure in the future also. Sir, I never meant that the salt tax, however high it might be, will not affect anybody. My submission was simply this that this tax, even if remitted *in toto*, was not likely to affect the expenditure of the poor man in any way. It was a small item in his expenditure. Therefore, I submitted that it would be a heavy loss to Government, heavy loss to the public revenues, if this remission were accepted which would not be welcome as a boon by anybody. Of course, now the issue is plain, and my friends are quite welcome to fight the issue on political grounds.

**U Kyaw Myint** (Burma: Non-European): Sir, I feel I have got to answer the Honourable speaker who has just sat down, although I had formed the impression, at any rate since yesterday morning, that both he and I belong to the martial races. Sir, I do not know the personal history of my Honourable friend, Captain Lal Chand, except so far as I have seen it in this House. But seeing that he is an Honourable, learned and gallant Member of this House, I am prepared to presume that he rendered meritorious service during the War, as befits a member of one of the martial races of India. But when he becomes before our very eyes—not a champion of the martial races, not a champion of another class of persons in India whom he has often referred to as the agricultural community (I must apologise to him for not having really remembered the actual phrase he used: I think he was talking of a class of persons who have their source of income in agriculture) when today, or rather within the last few minutes, he has come forward, not as a champion of anybody but as an accuser of Honourable Members on this side of the House—he accuses them of exploitation of the masses on political grounds, the evidence before him being the speeches they have made in support of this particular motion now being debated upon—I can hardly allow my Honourable and learned friend to go unchallenged. After all, if he is a lawyer, I am another. And if he rendered any meritorious service during the War, I too rendered some service, although it may not have been as meritorious as his. I achieved the dignity of becoming a Lance-Corporal in an Anglo-Indian regiment, under an assumed name. (Laughter.) You will be interested to hear, Sir, that I am a martial person, or that, at any rate, I was a martial person in the year 1917.

**Hon. Captain Rao Bahadur Chaudhri Lal Chand**: I do not deny that you belong to a martial class.

**U Kyaw Myint:** Then I have proved one portion of my case, any way. (Laughter.) Therefore if my Honourable friend is martial, I am equally martial; he admits that. If my Honourable friend is learned, I am equally learned, because I am a lawyer too. (Laughter.) Therefore, in the capacity of an equally Honourable, equally learned, and an equally gallant person, I challenge his statement as regards the exploitation of the masses by Honourable Members on this side of the House. (Interruption by an Honourable Member.) As usual, my Honourable friend, Mr. Mody, has chipped in. (An Honourable Member: "Mr. Mody is not here.") I thought I heard his dulcet voice. But somebody in an equally dulcet voice asked me if I was not equally patriotic. I do not know if my friend, Captain Lal Chand, is patriotic; I give him the benefit of the doubt. (Laughter.) I presume as befits a man who is trained in the law that he is as patriotic as myself until I see any evidence to the contrary. Sir, no man in this House if he makes a claim before us to patriotism can be challenged unless we have definite evidence to the contrary. Therefore in my judgment and on the evidence available before me Captain Lal Chand is as patriotic—if not more—as myself. Therefore, he and I are on an equal footing and I am entitled to answer him when he attacks Honourable Members on this side of the House about the exploitation of the masses, simply because they are supporting this motion. Whatever the ulterior motive may be, if such ulterior motive exists, they are now, by supporting this motion, trying to reduce taxation. Has my Honourable and learned and gallant friend got any evidence to prove that they are actuated by any ulterior motive? If so, I should like to hear him.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, the motion of my friend, Mr. Maswood Ahmad, is for reduction of the duty from Rs. 1-4-0 to Re. one. I should like to make it clear that the duty is not really Rs. 1-4-0, but with the surcharge it is Rs. 1-9-0, and if this motion is carried, really the surcharge portion will be excluded. Sir, even the Finance Member, in recommending the restoration of the five per cent. cut for the salaried officials, accepted that the emergency is not so acute now as it existed a year before; and, arguing from that standpoint, I say that if any concession is to be made to anybody and if the emergency has ceased to any extent, the poorest people in India certainly can claim some indulgence from the Finance Member. If this motion is accepted, they will still pay the duty of Rs. 1-4-0 including the surcharge; only five annas will be taken out. I do not know what exactly it will come to by strict calculation.

**An Honourable Member:** One crore and 15 lakhs.

**Mr. S. C. Mitra:** My Honourable friend says that it will be to the tune of a crore and 15 lakhs.

**The Honourable Sir George Schuster:** It is 164 lakhs.

**Mr. S. C. Mitra:** Here I shall follow the argument of my Leader, Sir Abdur Rahim, who said that it was possible for Government easily to retrench another two or three crores of rupees; and, if that is possible, it will be easy for the Finance Member, even keeping the Budget a balanced one to accept this proposal.

As regards Captain Lal Chand's argument that this amount does not form any considerable part of the poor man's budget, I can only tell him that even according to the figures supplied by the Finance Member, the

income of an average Indian is Rs. 80 per annum. Perhaps Captain Lal Chand thought that that was the monthly income, but he should remember that that was the yearly income. That comes to even less than Rs. seven a month, and being reduced to daily wages it comes to 3½ annas a day. And salt is not a thing which a man buys only occasionally like some of the luxuries that my friend, Captain Lal Chand, uses, but it has to be purchased even by the poorest man and on every occasion when he has to take his food. The poor men's food is not as luxurious as that of my Honourable and gallant friend, Captain Lal Chand; they merely take rice with a pinch of salt. And though it certainly does not matter in the case of the middle or the lower middle classes, for the poorest people in India who go on half-starvation for months together in a year, even this small amount affects a good deal; and it is misleading the House to say that it forms no part of the wage-earner's budget. On these grounds, I urge that if it is possible for the Finance Member to help the poor man in any way in these very strenuous times, it will be really a substantial help. It is not a mere political stunt, but even if this small amount is granted and the poor man gets his salt at a lower price, that will help him greatly. With these words, I support this motion.

**The Honourable Sir George Schuster:** Sir, I have very little to add to what I said in dealing with the earlier motions, but I must say a few words in order to clear the mind of my Honourable friend who moved this particular motion. He first of all complained that there was no explanation as to why our estimates for revenue from salt next year were reduced by 163 lakhs. I would call his attention to paragraph 63 of my Budget speech where I explained that this reduction was due to the termination of the temporary increase in receipts due to the abolition of the credit system. That, I think, is the clearest explanation. There are other passages both in my speech and in the Finance Secretary's memorandum where the same matter is dealt with.

Then, Sir, my Honourable friend took the estimates which we had framed and he pointed out that in past years our estimates had been exceeded and, therefore, argued that, even if we accepted the cut, the House could be quite sure that we should get as much revenue as we had budgeted for. Again, I would call my Honourable friend's attention to page 22 of the Finance Secretary's memorandum which explains that we have allowed in our estimates for next year for a consumption of salt exactly at the same level as that which we anticipate for the current year. I see no possible justification for anticipating any increase, and, therefore, Sir, I am afraid I cannot agree with my Honourable friend that we have been too conservative in our estimates. As regards the revenue effect of this measure, it would, as my Honourable friend, Mr. S. C. Mitra, has pointed out, mean a reduction of duty not from Rs. 1-4-0 to Re. one, but, taking the surcharge into account, a reduction of the duty from Rs. 1-9-0 by an amount of 5½ annas, because the surcharge would be correspondingly reduced. The total cost would be Rs. 164 lakhs. I am afraid, Sir, that is an amount which we cannot face and, therefore, I must oppose the motion.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in clause 2 of the Bill, the words 'and four annas' be omitted".

The Assembly divided:

## AYES—31.

Abdul Matin Chaudhury, Mr.  
Aggarwal, Mr. Jagan Nath.  
Anklesaria, Mr. N. N.  
Bagla, Lala Rameshwar Prasad.  
Biswas, Mr. C. C.  
Dutt, Mr. Amar Nath.  
Gour, Sir Hari Singh.  
Gunjal, Mr. N. R.  
Isra, Chaudhri.  
Jadhav, Mr. B. V.  
Jha, Pandit Ram Krishna.  
Jog, Mr. S. G.  
Krishnamachariar, Raja Bahadur G.  
Kyaw Myint, U.  
Lahiri Chaudhury, Mr. D. K.  
Lalchand Navalrai, Mr.

Maswood Ahmad, Mr. M.  
Mitra, Mr. S. C.  
Murtuza Saheb Bahadur, Maulvi  
Sayyid.  
Parma Nand, Bhai.  
Raghubir Singh, Kunwar.  
Ranga Iyer, Mr. C. S.  
Reddi, Mr. T. N. Ramakrishna.  
Roy, Rai Bahadur Sukhraj.  
Sant Singh, Sardar.  
Sen, Mr. S. C.  
Sen, Pandit Satyendra Nath.  
Singh, Mr. Gaya Prasad.  
Thampan, Mr. K. P.  
Uppl Saheb Bahadur, Mr.  
Wajihuddin, Khan Bahadur Haji.

## NOES—49.

Abdul Hye, Khan Bahadur Abul  
Hasnat Muhammad.  
Acott, Mr. A. S. V.  
Ahmad Nawaz Khan, Major Nawab.  
Allah Baksh Khan Tiwana, Khan  
Bahadur Malik.  
Amir Hussain, Khan Bahadur Saiyid.  
Bajpai, Mr. G. S.  
Bhore, The Honourable Sir Joseph.  
Clow, Mr. A. G.  
Dalel, Dr. R. D.  
Dutt, Mr. G. S.  
Dutt, Mr. P. C.  
Fox, Mr. H. B.  
Gidney, Lieut. Colonel Sir Henry.  
Grant, Mr. C. F.  
Gwynne, Mr. C. W.  
Haig, The Honourable Sir Harry.  
Hezlett, Mr. J.  
Hudson, Sir Leslie.  
Ismail Ali Khan, Kunwar Hajee.  
James, Mr. F. E.  
Jawahar Singh, Sardar Bahadur  
Sardar.  
Lal Chand, Hony. Captain Rao  
Bahadur Chaudhri.  
Leach, Mr. A. G.  
Mackenzie, Mr. R. T. H.

Metcalfe, Mr. H. A. F.  
Millar, Mr. E. S.  
Misra, Mr. B. N.  
Mitchell, Mr. D. G.  
Mitter, The Honourable Sir  
Brijendra.  
Moore, Mr. Arthur.  
Morgan, Mr. G.  
Mukherjee, Rai Bahadur S. C.  
Nihal Singh, Sardar.  
Noyce, The Honourable Sir Frank.  
Rajah, Rao Bahadur M. C.  
Rau, Mr. P. R.  
Ryan, Sir Thomas.  
Sarma, Mr. R. S.  
Schuster, The Honourable Sir George.  
Scott, Mr. J. Ramsay.  
Seaman, Mr. C. K.  
Sher Muhammad Khan Gakhar,  
Captain.  
Singh, Mr. Pradyumna Prashad.  
Smart, Mr. W. W.  
Smith, Mr. R.  
Tottenham, Mr. G. R. F.  
Vachha, Khan Bahadur J. B.  
Yakub, Sir Muhammad.  
Yamin Khan, Mr. Muhammad.

The motion was negatived.

**Mr. M. Maswood Ahmad:** Sir, I want to move No. 13\* . . .

**Mr. D. G. Mitchell:** On a point of order, Mr. President: I submit that this amendment is outside the scope of the Bill. The amendment proposes to repeal the whole of the Export Schedule, and the Export Schedule comes nowhere within the scope of this Bill.

\* "That after clause 2 of the Bill, the following new clause be inserted and the subsequent clauses be renumbered accordingly:

"3. With effect from a date to be appointed in this behalf by the Governor General in Council by notification in the *Gazette of India*, the Third Schedule to the Indian Tariff Act, 1894, shall be repealed."

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Will the Honourable Member speak up?

**Mr. D. G. Mitchell:** The Export Schedule comes nowhere within the scope of the Bill nor is it discussed anywhere in the Bill. I submit, therefore, that the amendment is entirely out of order.

**Mr. M. Maswood Ahmad:** Sir, I want by this amendment to amend the Indian Tariff Act in Schedule III; and as this Bill is to amend the Indian Tariff Act, 1894, and vary certain duties levied under that Act, I think this is within the scope of the Bill.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, may I say that the Act which is under discussion is not the original Act of 1894, but the Act, as it was modified by the second Finance Bill of 1931, and that, therefore, all the changes that were made in 1931, either by the first Finance Bill or by the second Finance Bill, all form part of the Act and the revised Act is really before us and they all form part of it.

**Mr. S. C. Mitra:** Sir, I think this point is covered by your previous ruling, and, if there is no reason to alter your previous ruling, there is no fresh case, because in the Preamble itself the Indian Tariff Act is mentioned. My friend only raises a question referring to the Tariff Act and not about the Supplementary Act or anything.

**Mr. M. Maswood Ahmad:** I want to say one word more, Sir: that my previous amendment was to amend the Indian Finance (Supplementary and Extending) Act, and here it is to amend the Indian Tariff Act.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): It is no doubt the fact that the Indian Tariff Act, 1894, is mentioned in the Preamble to the present Bill; but the reference to the Indian Tariff Act, 1894, is as follows:

"To vary certain duties leviable under the Indian Tariff Act, 1894."

It was held in the past by the Chair that when an amending Bill sought to introduce alterations in certain sections of an Act, amendments were in order only if they covered those particular sections of that Act. The fact, that the present Bill seeks to vary certain duties leviable under the Indian Tariff Act, 1894, does not lay open the entire Indian Tariff Act, 1894, for the consideration of this House. So amendments to the Indian Tariff Act of 1894 will be in order only if they relate to those items which are specifically mentioned in the present Finance Bill, and this particular amendment of the Honourable gentleman, not being covered by that, is clearly out of order.

**Mr. M. Maswood Ahmad:** Under this ruling all amendments up to 16 will be out of order, and I do not move them.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That clause 2 do stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That clause 3 stand part of the Bill."

**Mr. M. Maswood Ahmad:** Sir, I beg to move:

"That clause 3 of the Bill be omitted."

There are already so many taxes on the poor Indians that we cannot be a party to putting any more taxes on them. If you will see, last year we increased taxes without any restriction up to 25 per cent. more. So, after such a heavy duty, . . .

**Mr. S. C. Mitra:** On a point of order, Sir, I have given notice of a motion to insert a clause between clauses 2 and 3: will you give me a chance to move it now?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): What number is the Honourable Member referring to?

**Mr. S. C. Mitra:** It is first in the Late List No. 1.

**Mr. D. G. Mitchell:** Mr. President, on a point of order. I am afraid, the Honourable Member has been referring to some wrong document in framing his amendment, because the words which he proposes to replace by the words "two annas and three pies" are the same words "two annas and three pies", so that his amendment, as it stands, has no meaning.

**Mr. S. C. Mitra:** As regards the point raised by my friend, the Legal Secretary, my first submission is that I have not moved anything: I think his objection is premature.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Will the Honourable Member, Mr. Mitra, tell the Chair how his interest would be jeopardised if the Honourable Member, Mr. Maswood Ahmad, is allowed to move the amendment he has just moved?

**Mr. S. C. Mitra:** If you will permit me to move it later on, I have no objection.

**Mr. M. Maswood Ahmad:** Sir, I realise very fully that the present days are not suitable for moving amendments in the Finance Bill, . . .

**An Honourable Member:** Why not?

**Mr. M. Maswood Ahmad:** . . . at the same time I realise that it is very difficult to defeat the Government. We can only request the Government. Under these circumstances, reasons are, I think, not of much use. There was a time when these things could convince the Members and, by means of argument, it was possible to defeat the Government. But now-a-days when I find that there is a race between habitual supporters, it is very difficult either to convince the Members or to defeat the Government so I will ask the Government to consider the fact that we have already been overtaxed and that the articles which they want to include in this amendment and on which they want to increase the taxes are those which are generally used by poor people only.

In this amendment they say that this figure of 34.38 per cent. is a figure which is very difficult to work and so it should be made 35. I cannot understand, if that was the case, why they did not propose that it should be reduced to 34 instead of increasing it to 35. Dr. Ziauddin Ahmad, who is well known to us as a Mathematician, as well as my Honourable friend, Sir George Schuster, who also must be a very good Mathematician, must know what is the principle of Mathematics. The principle of Mathematics is that if any fraction is less than half, it should be cut out, and this very principle has been ignored in this case. Instead of scratching out the figure 3/8ths, my friend has increased it to 35, and so I totally oppose the imposition of any new tax.

The trouble is this, that in the garb of making it a whole number, Government want to increase the tax which cannot be tolerated. The other trouble is this, that when a new tax is imposed, we cannot alter it at all. When we rise to oppose anything, my friend, Mr. Mitchell, on the Treasury Benches, gets up and says that it is out of order, and it becomes out of order, though certainly it is not out of order. If we increase the tax now, it will be a tax for ever, like the 25 per cent. additional duty which has become permanent, and generations unborn will have to pay it. We cannot do anything now. Therefore, I hope Honourable Members of this House will take that fact into consideration before they cast their votes, and they should remember the fact that this tax will be a tax for all time. With these words, I move that clause 3 be omitted.

Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved.

"That clause 3 of the Bill be omitted."

**The Honourable Sir George Schuster:** Sir, I hardly think that my Honourable friend's arguments supported the conclusion which he advocated, namely, the removal of the proposed clause, and I was not able to follow his discourse on arithmetic. Though I listened to him very closely, I missed what I had expected to find in his speech,—a careful examination of the position as regards the articles such as boots and shoes and artificial silk piecegoods which this clause is designed to deal with. I think, Sir, I explained the position very clearly in my Budget Speech in paragraphs 81 and 82, and I really have nothing to add. We found in fact that we were confronted with a situation in which the tariff provisions were being defeated, and we felt it necessary to deal with that situation. Usually in dealing with these amendments, I try to give the House as close an estimate as possible of what revenue is involved, but in this case it is impossible to give an exact estimate. All we feel sure of is that unless this clause is passed, we shall lose substantially in of is that unless this clause is passed, we shall lose substantially in revenue under the heads of boots and shoes and of artificial silk piecegoods. They are important heads, because boots and shoes are estimated to bring in 27 lakhs revenue, artificial silk mixtures 45 lakhs, silk and artificial silk piecegoods over 240 lakhs. For these reasons, I must oppose my friend's amendment.

There is just one point that I would like to explain when dealing with this motion, and that is, that an amendment stands shortly after this in the list which will be moved by my friend, Khan Bahadur Vachha, which would have the effect of eliminating silk goods from the operation



[Sir George Schuster.]

of this clause 3. I explained in my Budget Speech that there was no particular reason for including silk piecegoods. It was artificial silk piecegoods that we were aiming at. We really included silk more for the sake of uniformity than for any other purpose. We have since found that there are certain classes of very light silk piecegoods which would be extremely heavily penalised by the clause as it stands, penalised in a way which was outside the scope of our own intention. Therefore, the amendment which is shortly to be moved provides for the removal of silk goods from the operation of clause 3. Subject to that small correction, we support the clause as originally proposed, and as I have already said, I must oppose my friend's amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That clause 3 of the Bill be omitted."

The motion was negatived.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. It appears from the Indian Tariff Act of 1894 that item No. 34 refers to molasses on which the present duty is 25 per cent. *ad valorem*, and the amendment of Dr. Ziauddin Ahmad is to make the 25 per cent. into 100 per cent. Is that correct?

**Dr. Ziauddin Ahmad**: Which amendment are you referring to, Sir?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): No. 19.\*

**Dr. Ziauddin Ahmad**: Yes, I want to increase the duty from 25 per cent. to 100 per cent.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Has the Honourable Member sought for the previous sanction of His Excellency the Governor General?

**Dr. Ziauddin Ahmad**: I had applied for it, Sir, but I did not receive any reply.

**Mr. D. G. Mitchell**: Sir, His Excellency has refused sanction. The papers have just been received.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The previous sanction of His Excellency the Governor General having been refused for the moving of this amendment, it cannot be moved.

Now, Mr. S. C. Mitra will move amendment No. 1 that stands in his name in the late List No. 1.

**Mr. D. G. Mitchell**: On a point of order, again, Sir.

\*"That before sub-clause (a) of clause 3(1) of the Bill, the following new sub-clause be inserted and consequential amendments be made:

'(a) for the entry in the fourth column against Item No. 34, the following shall be substituted, namely, '100 per cent.'."

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Let the Honourable Member move his amendment first.

**Mr. S. C. Mitra**: Sir, I move:

"That before sub-clause (a) of clause 3 (1) of the Bill, the following new sub-clause be inserted and consequential amendments be made:

'(a) for the entry in the fourth column against Item No. 40 the following shall be substituted, namely:

'two annas and three pies'."

I should like to explain, Sir, that in the Indian Tariff Act of 1894, in clause 40, in the 4th column, it is Rs. 0-2-3. That has been supplemented by the Indian Finance Act of 1931 in item 40, and there an additional rate has been added, that is nine pies per imperial gallon, and that makes it three annas, and my motion is to bring it down to Rs. 0-2-3.

**Mr. D. G. Mitchell**: Mr. President, my point of order is that the amendment proposed by Mr. Mitra is so badly framed that it is quite inoperative. Item 40 of the Indian Tariff Act, Schedule II, now reads "Kerosene,—unit of assessment per imperial gallon,—rate of duty two annas and three pies". That is in the statutory Schedule. The Honourable Member proposes to substitute for two annas and three pies the words "two annas and three pies", and I submit his amendment, as it stands, has no meaning.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Has the Honourable Member got the latest edition of the Tariff Act of 1894, because it is so frequently amended. The latest copy I have got reads as follows . . . . .

**Dr. Ziauddin Ahmad**: What page?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Page 21. Item 40, under the heading "Kerosene", etc. Imperial gallon Rs. 0-2-3.

**Mr. M. Maswood Ahmad**: It is also beyond the scope of the Bill as well, because the question of kerosene is not in the Bill and, according to the previous ruling, it is out of order.

**Mr. S. C. Mitra**: I gave notice of the amendment under this impression. The total import duty on kerosene per imperial gallon is Rs. 0-8-9. It comes in this way. Originally it was Rs. 0-2-3, in the Indian Tariff Act, and, by the Indian Finance Act of 1931, nine pies were added, and with the surcharge of 25 per cent. it comes to Rs. 0-3-9. What I wanted was to reduce it to the level of the excise duty, and that is the object of my amendment. My impression was that if I brought down those three annas which should really be in the latest Indian Tariff Act, as amended by the Supplementary Act, to 0-2-3, with the surcharge, my purpose would be served. That is my reply to the point of order. If there is any error, the error is that of the Government. The tax is three annas with the surcharge of nine pies more and my purpose is to bring it down to the level of the excise duty.

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LEGISLATIVE ASSEMBLY.

[16TH MARCH 1933.]

**Mr. D. G. Mitchell:** My contention is that the amendment unfortunately is misconceived and in the form in which it is now before the House means nothing. It will effect no change . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): What is the duty on kerosene?

**Mr. D. G. Mitchell:** It is Rs. 0-2-3 under the Tariff Act, with a surcharge of nine pies under the Finance Act of 1931, and a surcharge of 25 per cent under the Finance Supplementary and Extending Act of 1931. So, the total duty now chargeable on kerosene is at the rate of Rs. 0-3-9 per imperial gallon. In order to achieve his object, the Honourable Member will have to undertake some process of arithmetic whereby he will reduce Rs. 0-2-3 to some figure to which, when nine pies is added and the result is multiplied by 5/4ths, the final figure will produce the present excise duty on kerosene. I am afraid I cannot do it for him *extempore* on the floor of the House now.

**Diwan Bahadur A. Ramaswami Mudaliar:** I think, Mr. President, the position is quite clear and it is not so simple as is made out by the Legislative Secretary. Under the Indian Tariff Act, the original duty was Rs. 0-2-3. Then the Finance Act of 1931 came into operation whereby a further increase of nine pies was made to it. Therefore, the Indian Tariff Act was amended to that extent by the Indian Finance Act of 1931, and it was the duty of the Government to have published in the Schedule of the Indian Tariff Act three annas. Then came the surcharge under the Emergency Finance Act by which a further nine pies increase was made. If they keep the surcharges and extraordinary legislative impositions in different compartments and do not incorporate them in the Indian Tariff Act, no Member can move any proper amendment. I put a counter question to the Legislative Secretary. Supposing we want to bring the kerosene duty down to Rs. 0-2-3 with a 25 per cent. surcharge, would my Honourable friend suggest by what means we could do that? I submit the amendment of Mr. Mitra is quite relevant. I do not say anything on the merits, but purely on the question of relevancy and the form in which it is put it is relevant. It is in good form.

**Dr. Ziauddin Ahmad:** I go upon the Indian Tariff Act, 1894, as modified up to the 1st May, 1932. So I conclude that all the changes that were made under the Finance Acts of March, 1931, and November, 1931, are included therein. On page 20, item 40—the duty on kerosene per imperial gallon is Rs. 0-2-3. Three pies is bracketed and the footnote says:

“These words were substituted for the words ‘Six pies’ by section 4 and Schedule I of the Indian Finance Act, 1930.”

This shows that now the customs duty is Rs. 0-2-6 and not Rs. 0-2-3, because these words were substituted. The Indian Finance Bill of November, 1931, said that over and above there should be a surcharge of 25 per cent. Therefore, I understand that the duty is Rs. 0-2-6 plus 25 per cent. over and above.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair would like to ask a question of the Government. What is the duty leviable on kerosene legally under the Indian Tariff Act of 1894 as it is amended up to date?

**Mr. D. G. Mitchell:** The duty leviable under the Indian Tariff Act is Rs. 0-2-3 per imperial gallon. The Indian Tariff Act has not been amended. The Indian Finance Act of 1931 imposed a surcharge of a particular amount on certain items in the Tariff Schedule without amending that Schedule. If the Honourable Member desires to remove that surcharge, the Act which he ought to amend is the Finance Act of 1931.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If, therefore, a person wants to find out at present what duty he is called upon to pay on kerosene, he has to refer to three Acts.

**Mr. D. G. Mitchell:** That is so.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That means the Government are collecting the tax in virtue of powers vested in the executive under three different Acts?

**Mr. D. G. Mitchell:** That is correct, Sir.

**Mr. S. C. Mitra:** Will you kindly send for the notice of amendment that I gave? It is not exactly as it appears here.

**Dr. Ziauddin Ahmad:** May I ask one simple question whether any Member on the Treasury Benches can say if I import one gallon of kerosene, how much duty I shall have to pay?

**The Honourable Sir Brojendra Mitter** (Leader of the House): It seems to me that the whole of this discussion is unnecessary, because item No. 40 is not in the Bill, and, therefore, is outside the scope of the Bill. Sir, according to your ruling, anything which is outside the scope of the Bill cannot be the subject-matter of an amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The form in which the Honourable Member sent notice of the amendment reads as follows:

“In the fourth column of item No. 40 of the Indian Tariff Act, 1894, as amended by the subsequent Finance Acts, for the figures ‘3 annas’ ‘two annas and three pies’ be substituted.”

It is apparent that the Honourable Member was clear in his mind as to what he was doing and, to that extent, he was no doubt correct. But the House has to interpret an amendment strictly in its legal sense. He says: “for the entry in the fourth column against item No. 40

4 P.M. of the Indian Tariff Act, 1894, as amended by the subsequent Finance Acts”. Legally the position, as the Chair has understood the Government, is that so far as item No. 40 is concerned, the subsequent Finance Acts do not amend this particular item in the Schedule of the Indian Tariff Act of 1894. Therefore, even if the amendment were to be in the form in which the Honourable Member has given notice of it, it would not help him very much. The Chair quite sympathises with the Honourable Member, Mr. S. C. Mitra, and the difficulty in which the Non-Official Members find themselves on this point. When an Act like the Indian Tariff Act is sought to be amended by subsequent Acts without the subsequent amendments being incorporated in the original Act, it would certainly cause very serious inconvenience to Honourable Members and

[Mr. President.]  
the Chair would suggest to Government that it would not be fair to the Honourable Members that they should seek to make amendments in this particular form. Beyond that, the Chair cannot perhaps do anything in this matter. With regard to the point of order raised by the Honourable the Law Member, it is covered by the ruling given by the Chair on similar amendments that were taken up earlier in the day and the amendment in any case is out of order, not being covered by the scope of the Bill.

**The Honourable Sir George Schuster:** With reference to the discussion which we have had just now, I do sympathise very much with the difficulty of Non-Official Members in dealing with the very complicated situation which is created by having a Tariff Act and two Acts which did not amend that Act, but only imposed surcharges. I should only like to say this, that if any Member on the other side wishes any assistance in drafting an amendment, I will certainly give instructions that the Central Board of Revenue will give the Honourable Member every assistance, so that he should not fail in his object, merely because of this particular complication.

**Mr. S. C. Mitra:** I can only say that after giving this notice I consulted the office of the Legislative Assembly Department which is the proper office where we can go for help. If you kindly ask the Assembly Department to help us instead of directing us to run to all the various Government Departments, it will be really convenient to us. I phoned up the Commerce Department and they said that the duty was three annas nine pies. So I tried to do my best in the circumstances to equalise the excise duty and the import duty and I could not do anything more.

**Mr. M. Maswood Ahmad:** Sir, I move:

"That sub-clause (1) (a) of clause 3 of the Bill be omitted."

I do not want to make any speech. I simply move it.

**The Honourable Sir George Schuster:** I shall again follow my Honourable friend's brevity and, for the reasons which I have already explained, I must oppose the amendment.

The motion was negatived.

**Mr. M. Maswood Ahmad:** Sir, I move:

"That sub-clause (1) (b) of clause 3 of the Bill be omitted."

I move it without any speech.

**The Honourable Sir George Schuster:** I regret I must oppose this amendment.

The motion was negatived.

**Khan Bahadur J. B. Vachha** (Government of India: Nominated Official): Sir, I beg to move:

"That in clause 3 (1) (b) of the Bill, in column two of the proposed Item No. 45, the words 'Silk or' be omitted."

The Honourable House will see that the effect of this amendment will be to exclude from this new item No. 45 silk piece-goods. The reasons for moving this amendment have already been given by the Honourable the Finance Member. I shall briefly recapitulate them here. Since the Finance Bill was introduced on the 28th February last, representations have been received from the Japan and Shanghai Silk Merchants' Association and the Canton Silk Piece-goods Importers' Association pointing out that the specific minimum duty of four annas a square yard proposed to be introduced as per this item No. 45, will hit very hard certain classes of genuine silk. Enquiries made by us in this connection on receipt of these representations show that a fairly large proportion of silk-trade (estimated at about 25 per cent.) is in certain qualities of silk known as "Paj", which are very diaphanous, gauze-like materials that run from as much as 30 to 100 yards per lb. as compared with an average of six yards per lb. for artificial silk goods. A duty of four annas per square yard works out to Rs. 7-8-0 to Rs. 25 per lb. for these materials the tariff value of which has been fixed at only Rs. 10-12-0 per lb. The duty will thus be from over 70 to a little under 250 per cent. which is no doubt very heavy and will kill the trade in these articles and cause a loss rather than a gain of revenue. These very light qualities of silk are from their nature purely decorative and have no value as clothing. They cannot be thus said to be in direct competition with ordinary artificial silk or cotton piece-goods. As regards the heavier silk goods, their value is so high that the duty, that is being levied at present, is higher than duty at four annas per square yard. Hence, the latter rate of duty will, if imposed, be inoperative.

I, therefore, move, Sir, this amendment which will benefit Revenue as well as the Silk trade and the consumer. Sir, I move:

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in clause 3 (1) (b) of the Bill, in column two of the proposed Item No. 45, the words 'Silk or' be omitted."

**Diwan Bahadur A. Ramaswami Mudaliar:** I have not been able to follow the Honourable Member. I must confess that I am comparatively ignorant on these matters, but I remember to have seen a great deal of agitation in the Press regarding the silk industry in Mysore and Kashmir which, it is said, is being jeopardised by the same Japanese dumping against which my Honourable friend, Mr. Mody, has been complaining. I do not know what sort of protection Government are thinking of giving these two industries. The district of Coimbatore from which you, Mr. President, come has got a large silk weaving industry which is fairly well developed and the merchants in Kollegal who are specialising in this industry have also complained, so that representations have been sent up to the Central Board of Revenue asking for a duty on silk goods. My Honourable friend says that silk goods do not come into competition. It looks as if the only sort of goods that the Government have always in mind is the cotton goods of Bombay and Ahmedabad and other places and they

[Diwan Bahadur A. Ramaswami Mudaliar.]

think that, if artificial silk competes with cotton goods, artificial silk comes in for a penalty or for a duty, not because it is artificial silk, but because it commits the sin of competing with cotton goods. On the motion that my Honourable friend, Sir Joseph Bhore, will make next week, we will have a good deal to say on the subject, but, I think, with the limited knowledge that I have of the subject, it would not be fair to the silk industry at all in this country if it is left absolutely unprotected. I find from the old Indian Tariff Act, which was proposed to be amended, that item 45-A refers to mixtures alone, so that pure silk, up to this moment, has had no sort of import duty laid on it. I, therefore, oppose this amendment of Khan Bahadur Vachha. If they do not want a high duty of 50 per cent., I think even at this late stage Government will do well to lower the duty to 25 per cent. and an amendment to that effect may be moved by Government.

**Sir Cowasji Jehangir:** I am sorry I have to disagree with my Honourable friend, Diwan Bahadur Mudaliar, who, it is quite clear, has not understood the position. The position is this. There is a duty of 50 per cent. *ad valorem* on silk today, and in certain classes of silk, that duty is charged on a tariff valuation. I am not going into the intricacies of that tariff, because it will weary the House and I am afraid they would not be able to understand it. (Laughter.) I will explain why.

**Mr. N. M. Joshi:** What a compliment to the House!

**Sir Cowasji Jehangir:** It is a rather difficult tariff, but I will try my best to explain. In the first place, let me say that I quite agree with my Honourable friend, the Diwan Bahadur, that the silk manufactured on hand-loom in this country does deserve a further protection over and above the 50 per cent. that it has, because, as I have already said during the general discussion on the Budget, dumping is taking place with regard to silk. But the question before us does not deal with this dumping. "50 per cent. *ad valorem*" really means a 33 per cent. duty on the price.

**Mr. B. V. Jadhav:** Why?

**Sir Cowasji Jehangir:** For ordinary purposes you can say that an *ad valorem* duty of 50 per cent. means, in ordinary language, 33 per cent. on the actual value of the article. Now, in certain classes of silk they do not charge the duty *ad valorem*, but they charge it by way of a tariff valuation, that is to say, they fix the duty on the pound of silk. There may be 5, 10 or 20 yards to that pound, but they charge a certain amount. That is on silk that is very thin, very light, on which it is more beneficial to Government to charge by tariff valuation. The rules allow that.

Now, as far as I understand this question, I find there are certain kinds of silk which are charged by this tariff and not *ad valorem*, such as Satin, plain, 45 inches. The duty, if charged at four annas a square yard, as provided for in this Bill, will come to 75 per cent. There are other kinds called "pineapple". I do not know what that is. Oh, you have got it there? I see, Sir, the Honourable the Finance Member has got samples in his hand. (Laughter.) It comes to 250 per cent. Well, any duty of 250 per cent. on an article imported into this country will, and especially on an article which does not compete with any article made in this country,

actually kill that trade, will not help any trade or industry in this country, but will merely deprive the Government of revenue: and, therefore, to get over all this difficulty, my Honourable friend, Khan Bahadur Vachha, has moved a simple amendment that silk be omitted. The result will be that on all qualities of heavy silk the 50 per cent. *ad valorem* will remain. That will not go. The duties that exist today of 50 per cent. *ad valorem* will remain and the silks that my Honourable friend, the Diwan Bahadur, was talking of will be protected to that extent and will continue to be protected to that extent. But those silks, which do not compete with the silks that my Honourable friend was talking about and are unfortunately, and I believe unknown to Government, liable to have a duty of up to 250 per cent. levied on them by the Bill, will now be relieved of that onerous duty.

**Mr. S. C. Mitra:** What are the silks used for?

**Sir Cowasji Jehangir:** Perhaps my Honourable friend, the Finance Member, will hand over that "pineapple". (This pattern of silk was then handed round by the Honourable the Finance Member.) They come under the class of scarves, veils, very thin silk and silk which does not compete with silk made in this country. I am not an expert in these matters, and I can tell you that I am speaking from a brief.

**Sir Muhammad Yakub:** An unpaid brief?

**Sir Cowasji Jehangir:** I am not in the happy position of my Honourable friend, who has the right to speak from a paid brief, but I trust that although he has the right, he does not utilise that right in this Honourable House. At any rate the point is that the request of my Honourable friend, the Diwan Bahadur, that a 25 per cent. duty at least should be levied on silk is not necessary. There is a 50 per cent. *ad valorem* duty on that silk and it will continue to be levied and I shall be very pleased to see that duty increased when I trust my Honourable friend, Sir Joseph Bhore, will very soon bring in a Bill which will deal with the question of dumping. We are waiting anxiously for a notice that my Honourable friend will come up in a very short time (Hear, hear) with some measure that is going to be moved with the object of preventing dumping which we have all been complaining about. I quite sympathise with my Honourable friend, the Diwan Bahadur, in desiring to protect the hand-loom industry of India. And if, that industry thrives in your native town, Mr. President, I trust that we shall very soon have the opportunity of congratulating your town on a further measure of protection against this dumping. Do not let us confuse the two questions of dumping and the small amendment that is being moved,—which has nothing to do with dumping and which does not in any way affect the duty that is at present in existence on the silk which my Honourable friend, the Diwan Bahadur, was talking about.

**U Kyaw Myint:** Sir, I find myself in great perplexity, because everybody seems to have forgotten that Burma is still a part of India. Sir, we do cultivate silk in our country to a certain extent.

**An Honourable Member:** In your province.

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[16TH MARCH 1933.]

**U Kyaw Myint:** Very well, in my province, to a certain extent, and, to the best of my knowledge, although I know as little as my Honourable friend, Sir Cowasji Jehangir, seems to know about silk, we import a certain amount—from China largely—and we import also from India; so that we are in this extremely perplexing position: that any duty at all will hit us from certain angles and miss us from other angles. Now, Sir, I am now wearing a turban made of very thin silk—not “pineapple”: I do not think anyone in the House except perhaps the Honourable the Finance Member understands what “pineapple” means. I do not. Well, my turban, Sir, is made of very thin hand-woven silk. It is hand-woven in Burma and it is, I believe, silk imported in a raw state from China. On the other hand, my skirt—I suppose that is the only word for it, although it sounds curious,—is made of silk cultivated in Burma and hand-woven in Burma. How this duty is going to affect Burma, I do not know, and my perplexity has been increased by the fact that the amendment has been moved by a Member of the Government Benches, so that I am full of distrust and suspicion. Unless my perplexity is removed, at any rate, to a greater extent than my Honourable friend, Sir Cowasji Jehangir, has been able to do, I shall not be able to support this amendment.

**The Honourable Sir Joseph Bore** (Member for Commerce and Railways): Sir, I merely want to intervene in the debate to give some assurance to my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, in respect of a point which he raised. First let me say that my Honourable friend, Sir Cowasji Jehangir, stated the tariff position quite clearly and accurately. The elimination of these words will not result in reducing the existing rate of duty on all silk. The rate of duty on silk piecegoods will continue to be in the total 50 per cent. But my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, was concerned with the future of silk in this country and the object of my intervention is merely to allay his fears. At the present moment, a silk inquiry is being conducted by the Tariff Board. We hope to have the result of that inquiry very shortly and my Honourable friend may rest assured that the silk industry will receive the same attention at our hands as has the cotton industry in the past. I merely wanted to remove any apprehension that might be in his mind or in the minds of other Honourable Members on this particular point.

**Mr. M. Maswood Ahmad:** I would like to ask one question from the Honourable Member. In the Indian Tariff Act, as modified up to 31st May, 1932, on page 42, I find that the duty on silk or artificial silk piecegoods is 30 per cent. I want to know when was it raised to 50 per cent?

**Mr. D. G. Mitchell:** The standard duty in the Tariff Act is 30 per cent. 10 per cent. surcharge was added by the Finance Act of 1931, which brought it to 40 per cent. Afterwards another 10 per cent. was added to it, by the Supplementary and Extending Act of 1931, bringing the total to 50 per cent.

**U Kyaw Myint:** May I ask a question of the Government Benches? As the duty now stands, is there any differentiation between raw silk and manufactured silk—imported?

**Mr. D. G. Mitchell:** The duty on raw silk is 25 per cent.

**Dr. Ziauddin Ahmad:** Sir, if I have understood it correctly, the object of the amendment is that we should separate the question of silk altogether as it is being considered by the Tariff Board. After the inquiry by the Tariff Board, some definite proposals will probably be laid before the Assembly. Now, I should like to point out one thing. I have also given notice of this amendment and I do not know whether I will be ruled out of order, but I may point out at this stage that this method of calculating, to my mind, is open to great objection. Here are certain persons who approach the Government of India and on hearing them they look into their questions and they leave out of consideration a very large number of minor industries which are not sufficiently well organised so as to have a formal representation before the Government of India. Therefore, this question, if it affects us at all on account of the depreciated currency of Japan or any other currency, ought to be treated at one place and we should have an automatic formula to deal with that and not bring forward a piecemeal legislation—once for artificial silk, second time for cotton goods and third time for something else. We should have one definite proposal. If I am allowed to move my motion, I will move it later on.

**The Honourable Sir George Schuster:** Sir, I think there is still a certain amount of obscurity in the minds of some of my Honourable friends opposite as to what is the position and what is the purpose of this amendment. Really, the purpose of this amendment is simply to remove silk piecegoods from the operation of the minimum duty of four annas per square yard. So far as the *ad valorem* duty is concerned, they will not be affected because, although they will not come under this particular 50 per cent. entry in the Tariff Act, they will still be subject, in fact, to 50 per cent. owing to the basic duty of 30 per cent. *plus* the surcharges, bringing it to 50 per cent. That is a position which will have to be taken into account at the time when the surcharges are removed, if, as I hope, they will be removed some time. The actual result now is simply to remove silk goods from the operation of the four annas per square yard minimum duty and I think the position as regards that has already been sufficiently explained to the House. When we drafted this clause in the Bill, we did not think that silk goods would be very much affected by it, because we thought that the value of silk goods on the whole would be so high that the minimum duty of four annas per square yard would never come into operation. We simply included silk goods as a matter of administrative convenience. We have since found, as has been explained, that there is a class of silk goods which is very very light and which would be very heavily hit by this minimum duty of four annas per square yard. I am told by the Central Board of Revenue that if there was any question of a minimum duty for silk goods, it would really more appropriately take the form of a duty per pound and not per square yard. Therefore, I think my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, can be quite satisfied that by cutting out this minimum of four annas per square yard, we are not going to make things any easier for the ordinary type of silk goods to come to this country. I hope this will make the position clear.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

“That in clause 3 (1) (b) of the Bill, in column two of the proposed Item No. 45, the words ‘Silk or’ be omitted.”

The motion was adopted.

**Mr. M. Maswood Ahmad:** Sir, I move:

"That in part (i) of sub-clause (1) (c) of clause 3 of the Bill, for the figures '35' the figures '34' be substituted."

As I have just now explained, the total standard rate of duty on articles mentioned in 45 (a) was  $34\frac{3}{4}$  per cent., but my Honourable friend has raised it from this to 35 per cent. in order to make it a round figure. My contention is that if you want to make a round figure, make it 34 and not 35. Sir, I move it.

**The Honourable Sir George Schuster:** Sir, I am afraid I cannot understand my Honourable friend's attitude of mind at all. I see no particular virtue in 34 or 35. We want a round figure and 35 will give us  $1\frac{1}{2}$  lakhs more than 34 according to our calculations. Accordingly, I prefer 35.

**Mr. M. Maswood Ahmad:** May I know whether the intention of the Honourable Member is to make it a round figure or to get more money? In the Statement of Objects and Reasons, it is mentioned that as it was very difficult to work out this figure, it has been converted to 35.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in part (i) of sub-clause (1) (c) of clause 3 of the Bill, for the figures '35' the figures '34' be substituted."

The motion was negatived.

**Mr. M. Maswood Ahmad:** Sir, I beg to move:

"That in part (ii) of sub-clause (1) (c) of clause 3 of the Bill, for the figures '35' the figures '34' be substituted."

Sir, they have said in item (i) of clause 3 (c):

"(i) for the entries in the fourth column against sub-items (a) and (b), the following shall be substituted, namely:

'35 per cent. or two annas and three pies per square yard, whichever is higher';"

And, again, in item (ii) they say:

"(ii) for the entry in the fourth column against sub-item (c), the following shall be substituted, namely:

'35 per cent.';"

There are three items in 45-A, namely:

"(a) fabrics composed in part of some other textile than silk or artificial silk and in which any portion either of the warp or of the weft but not of both is silk or artificial silk;

(b) fabrics not being silk or artificial silk on which silk or artificial silk is superimposed such as embroidered fabrics;

(c) articles made from such fabrics and not otherwise specified."

So in this Bill they have mentioned parts (a) and (b), in part (i) in sub-clause 1 (c) of clause 3, where they have imposed 35 per cent. or two annas and three pies per square yard whichever is higher. And with regard to (c), they say nothing about square yard, but mention only 35 per cent. in part (ii) in sub-clause 1 (c) of clause 3. I suggest that this 35

per cent. should be 34 per cent. In the Statement of Objects and Reasons, they say:

"It fixes minimum specific duties of four annas per square yard and two annas and three pies per square yard, respectively, with no surcharge, on artificial silk piece-goods and artificial silk mixtures and rounds off the existing *ad valorem* duty, including surcharge of  $34\frac{3}{8}$ ths per cent. on artificial silk mixtures to 35 per cent. with no surcharge."

If you go through the speech of the Honourable the Finance Member, you will find that the idea was that this figure of  $34\frac{3}{8}$ ths per cent. was difficult in making calculations and so they want to round off the figure. I say that, if it is a matter of rounding off, then  $\frac{3}{8}$ ths is less than  $\frac{1}{2}$ , and so it should be 34 per cent. There was no mention in the speech or anywhere that this figure was raised to 35 per cent. to fill the Exchequer. If that is not the idea and the only idea is to make calculations easier, then why should it not be in favour of the public? Why should it be in favour of the Government? They sometimes put forward this reason and sometimes that reason. I think the idea of Government is to fill up their purse and so they have raised it to 35. I could not understand what was the difficulty in calculating? It is only dividing my 8 and multiplying the quotient by 3. (Laughter.) They want to increase the tax in this garb. They always say something to make that increase reasonable. So I say that if there is any difficulty, the benefit should go in favour of the public and not in favour of Government, and that is why I suggest 34 per cent. Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in part (ii) of sub-clause (1) (c) of clause 3 of the Bill, for the figures '35' the figures '34' be substituted."

**Mr. N. R. Gunjal** (Bombay Central Division: Non-Muhammadan Rural): Sir, I support this amendment.

**The Honourable Sir George Schuster:** Sir, I am afraid I must oppose this amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in part (ii) of sub-clause (1) (c) of clause 3 of the Bill, for the figures '35' the figures '34' be substituted."

The motion was negatived.

**Mr. D. G. Mitchell:** Sir, I move:

"That in clause 3 (1) (c) of the Bill, after sub-clause (ii) the following sub-clause shall be inserted, namely:

'(iii) After sub-item (c) the following proviso shall be inserted in the second column namely:

'Provided that the duty on fents of not more than nine yards in length of fabrics specified in sub-items (a) and (b) shall be 35 per cent. *ad valorem*.'; and "

Sir, fents, I understand, come into existence in two ways,—and here I speak subject to correction by my Honourable and expert friends on the other side. Some fents are portions which are cut off from the end of a piece in order to reduce it to the proper 'trade length'. In other



[Mr. D. G. Mitchell.]

cases, portions are cut off from the piece in order to remove defaults in weaving. These oddments of cloth are bound together in bundles and are sold by weight, at very low rates. For this reason the application of this specific minimum duty per square yard is not suitable. In the first place the duty will be much too high; and, in the second place, it would involve an intolerable burden on the Customs authorities. These bundles, as I have said, are sold by the pound, and in order to assess the value per square yard the Customs authorities would have to open every bundle, measure various small portions of cloth of various length and width, and then estimate the total square yardage. The intention of the amendment I propose is to avoid all this trouble and to avoid an over-high duty. You will see that in item 45, as inserted by the Bill, fents of not more than 9 yards in length have been exempted. The intention was to exempt those fents also which would come under item 45A: but in the making of the rather complicated amendments to item 45A, this point was overlooked, and the amendment is to supply the omission.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

“That in clause 3 (I) (c) of the Bill, after sub-clause (ii) the following sub-clause shall be inserted, namely:

‘(iii) After sub-item (c) the following proviso shall be inserted in the second column namely:

‘Provided that the duty on fents of not more than nine yards in length of fabrics specified in sub-items (a) and (b) shall be 35 per cent. *ad valorem*.’; and”.

The motion was adopted.

**Dr. Ziauddin Ahmad**: Sir, as regards the motion\* standing in my name I should like to point out . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. I find that in the Tariff Act of 1894 the rate of duty on sugar and sugar-candy excluding confectionery is Rs. 7-4-0 per cwt. The amendment makes it Rs. 9-8-0; that is, the idea is to increase the tax. Has the Honourable Member obtained the sanction of the Governor General?

**Dr. Ziauddin Ahmad**: May I move it first before it is ruled out of order?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): It cannot be moved without previous sanction having been obtained.

**Dr. Ziauddin Ahmad**: I have applied for the sanction, but I think it is still under consideration.

\* “That after sub-clause (I) (d) of clause 3 of the Bill, the following new sub-clause be inserted:

‘(e) in item No. 157, the words ‘and sugar-candy’ shall be omitted and after that Item the following Item shall be inserted, namely:

157A Sugar-candy . . . . . Cwt. 9-8.”

**The Honourable Sir Joseph Bhore**: Sir, may I say just a word in respect of this amendment? I am afraid that we must take formal objection to its being moved. But I should like to assure the Honourable the Mover that the matter is receiving our consideration and that if we find it necessary or advisable at a later stage to make a modification in the sense of this amendment, we shall take a suitable opportunity of doing so. For the present, I am afraid, we must make the formal objection that has been raised by the Chair.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): When a motion requires the previous sanction of the Governor General and the Honourable Member who wants to make the motion has taken care to apply for the sanction, it is perhaps placing the Chair in a difficult position if the Honourable Member of the Government were to take objection formally. In the opinion of the Chair, the Honourable Member is entitled to know whether sanction has been given or not.

**The Honourable Sir Joseph Bhore**: My information is that the Governor General has not given the sanction, but I would also take another formal objection and that is that this amendment lies outside the scope of the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Has the Honourable Member got anything to say on the point of order that it is outside the scope of the Bill?

**Dr. Ziauddin Ahmad**: May I suggest that this item be postponed till Monday.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable the Commerce Member has taken formal objection on a point of order that the proposed amendment is outside the scope of the Bill. The Chair would like to know from the Honourable Member whether he has got anything to say to cover that point.

**Mr. S. C. Mitra**: Your previous ruling, Sir, covers that point. There is mention of the Indian Tariff Act in the Preamble and it is, therefore, in order.

**Dr. Ziauddin Ahmad**: The whole Schedule is under discussion and we are making certain changes in the Indian Tariff Act and this is another item in the same Schedule. I am proposing in this particular amendment to increase the duty and that requires the previous sanction of the Governor General. As the matter is still under consideration, I would suggest that the consideration of this amendment be postponed till Monday.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Since it is covered by the previous ruling given by the Chair, which is well established and understood, that the whole of the Indian Tariff Act is not under consideration, but only the particular items mentioned, this amendment is clearly outside the scope of the Finance Bill and, therefore, out of order.

**Dr. Ziauddin Ahmad:** Sir, I beg to move:

“That after clause 3 of the Bill the following new clause be inserted:

- ‘3A. (1) Where the Governor General in Council is of opinion that the currency of any country has depreciated to an extent likely to affect any industry in India, he may by notification in the Gazette of India
- (a) declare the standard rate of exchange of that country in terms of hundred rupees;
  - (b) from time to time declare the existing depreciated rate of exchange with that country in the same terms; and
  - (c) specify the article or articles manufactured in India affected by such depreciation.
- (2) Notwithstanding anything contained in the Indian Tariff Act, 1894, or in the Sea Customs Act, 1878, the duty of customs on any article notified under sub-section (1) shall be determined in accordance with the following rules, namely:
- (a) where the duty is calculated at an *ad valorem* rate, the value of the commodity in rupees shall be increased in the ratio of the notified depreciated rate of exchange to the notified standard rate of exchange; and
  - (b) where the duty is a specific duty, the unit of assessment shall be decreased in the ratio of the notified standard rate of exchange to the notified depreciated rate of exchange.
- (3) This section shall have effect only up to the 31st March, 1934, but the Governor General in Council may extend the period by one year.’”

**Mr. M. Maswood Ahmad:** Sir, on a point of order. My point of order is this that this amendment seeks to insert a new clause 3A. We have not voted clause 3 yet. How can we now discuss clause 3A of the Bill?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair does not think that that is a real point of order, because if this amendment is passed, then clause 3, as amended, will be put to the vote.

**Mr. D. G. Mitchell:** On a point of order, Sir. It does not require very much exposition on my part to convince you, or any Honourable Member of the House that this is entirely outside the scope of the Bill. It is a rough and ready plan for meeting dumping, and dumping has nothing whatsoever to do with the Finance Bill.

**Dr. Ziauddin Ahmad:** I may explain that I have no connection whatsoever with dumping in this amendment. I only give a simple arithmetical formula for calculation in the case of customs duty. Whenever you have got a tariff duty, you have to charge by certain methods and I give in this motion a new method of calculation.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair understands the Honourable Member to mean that he does not seek an anti-dumping provision, but arithmetic. Arithmetic is beyond the scope of this Bill. Arithmetic is not covered by this Bill.

**Dr. Ziauddin Ahmad:** The point which I wish to make is that it is supplementary to the various clauses. In sub-clause (3), we have to charge duties *ad valorem* in certain cases. I give here a method by means of which these things ought to be calculated.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If it is the intention of the Honourable Member that these provisions of this particular amendment should apply to those items which are specifically mentioned in the Finance Bill under consideration, then the Chair would consider whether it is in order, but it should be stated whether that is the intention of the Honourable Member.

**Dr. Ziauddin Ahmad:** My intention was no doubt to apply to everything, but more particularly to those items now under consideration.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): What exactly is the intention of the Honourable gentleman?

**Dr. Ziauddin Ahmad:** I wish now, as I said, to apply it to those items which are before us, that is in clause 3, and also other items.

**Mr. C. C. Biswas:** That will involve an amendment of the clause as framed.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): But the amendment, as it is framed, would cover not merely the specific items mentioned in the Finance Bill, but will cover all the items that are covered by the Schedule to the Indian Tariff Act.

**Dr. Ziauddin Ahmad:** That was really my intention.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The amendment, being outside the scope of the Bill, is out of order.

The question is:

“That clause 3, as amended, do stand part of the Bill.”

The motion was adopted.

Clause 3, as amended, was added to the Bill.

The Assembly then adjourned till eleven of the Clock on Monday, the 20th March, 1933.

## LEGISLATIVE ASSEMBLY.

*Monday, 20th March, 1933.*

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

### QUESTIONS AND ANSWERS.

#### MARRIAGES UNDER THE PROVISIONS OF THE SPECIAL MARRIAGE (AMENDMENT) ACT, 1923.

763. **\*Sir Hari Singh Gour:** Will Government be pleased to state the number of marriages contracted under the provisions of the Special Marriage (Amendment) Act, 1923 (XXX of 1923)?

**The Honourable Sir Harry Haig:** The Government of India have no information. Registration of marriages is, under the Devolution Rules, a provincial transferred subject.

#### CARRIER ATTENDANTS AND ELECTRICAL SUPERVISORS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

764. **\*Rai Bahadur Lala Brij Kishore:** (a) Is it a fact that the non-gazetted staff in the Engineering Branch (including the Electrical Branch) of the Posts and Telegraphs Department consists of only six classes of officers and there is no such class as Carrier Attendants or Electrical Supervisors (Carrier)?

(b) Will Government please state by whom and when such posts designated as Carrier Attendants and Electrical Supervisors (Carrier) were created and also the total number of such posts with respective grades and allowances, if any?

(c) If the answer to the first portion of part (b) be to the effect that no such post has been created, are Government prepared to consider the necessity for creating such posts?

**Sir Thomas Ryan:** (a) No. The classes referred to by the Honourable Member at the end of this part of his question actually exist.

(b) The posts were sanctioned by Government in 1931 on the introduction of the Carrier Current System of telegraph working between Calcutta and Bombay. There are 19 posts of attendants and three of supervisors, which are on a temporary basis and are being filled from amongst the existing staff of Telegraphists and Electrical Supervisors.

(c) Does not arise.

## DECLARATION OF MR. GANDHI'S POLICY ON POLITICAL QUESTIONS.

765. \***Mr. B. Sitaramaraju** (on behalf of Mr. M. Maswood Ahmad): (a) Are Government aware that in a Press interview on the 3rd March, 1933, Mr. Gandhi has stated in reply to a question that if necessary, permission were given to him, he would after duly examining the terms of the permission, quite willingly make a declaration of his policy on political questions, but that just now he was not thinking about it at all, politics having been excluded from his thoughts?

(b) Are Government aware that in reply to a question whether the "Harijan Movement had diverted his attention from the civil disobedience movement", Mr. Gandhi replied, "Surely, it is a matter which everyone can decide for himself, because all materials are before him. One might as well ask me what is the height of the Himalayas, when both he and I are seeing them"?

(c) Are Government aware that Chaudhury Khaliquzzaman of Lucknow, an old Congressman, left for Benares on the 2nd March to consult Pandit Malaviya for the purpose of emphasising the view that the next session of the Congress should consider favourably the working of the new constitution, if it is acceptable to the country, thereby changing the present policy of civil disobedience?

(d) Do Government propose to permit Mr. Gandhi to declare his policy on political questions?

(e) Do Government propose to give an opportunity to those Congressmen who want to change the policy to press their point of view in the next session of the Congress?

**The Honourable Sir Harry Haig:** (a), (b) and (c). I have seen the reports which appeared in the newspapers.

(d) and (e). I have nothing to add to what I said in reply to questions on these subjects on the 7th and 14th November, 1932, and the 1st March, 1933.

**Mr. B. Das:** Has a copy of the White Paper been forwarded to Mahatma Gandhi so that he can have a look at it?

**The Honourable Sir Harry Haig:** No: that action has not been taken.

**Mr. B. Das:** How is it then that Mahatma Gandhi will be in a position to make any declaration unless he has a look at the White Paper?

**The Honourable Sir Harry Haig:** I have no doubt that if Mr. Gandhi applies for a copy of the White Paper, it will be furnished to him.

## PRINCIPLE OF ENUMERATION OF DEPRESSED CLASSES IN THE LAST CENSUS REPORT.

766. \***Mr. B. Das** (on behalf of Mr. Bhuput Singh): (a) Will Government be pleased to state under what principles have the Depressed Classes been enumerated in the last Census report? Was the general criterion of untouchability solely applied for the purpose?

(b) Is it a fact that one of the main principles was on the basis of social and political backwardness, irrespective of caste by birth?

(c) Will Government please state whether groups of primitive aboriginal people, such as Santhals and Bhils professing tribal or mixed religions, have been included under the name "Depressed Classes"?

(d) Have Government considered the question whether any changes are necessary in the numerical strength of their franchise qualification in view of the Yerwada Pact? If not, why not?

(e) Will Government please state whether representations have been received by them from any public bodies, castes or associations on the question of their classification since the Yerwada Pact? If so, what?

**The Honourable Sir Brojendra Mitter:** (a) The Honourable Member is referred to paragraph 9 on pages 5—6 of the Census of India Abstract, 1931, a copy of which has been supplied to Honourable Members.

(b) No.

(c) No. Though it is not always easy to draw a border line.

(d) The Honourable Member is referred to the White Paper which has been published.

(e) No. Such representations, if any, would be submitted to the Local Governments concerned.

## GANDHI-WILLINGDON CORRESPONDENCE AFTER MR. GANDHI'S RETURN FROM LONDON.

767. \***Mr. B. Das** (on behalf of Mr. Bhuput Singh): (a) Will Government be pleased to state whether their attention has been drawn to the statement issued by Sjt. Rajgopalachari to the Press on the communiqué recently issued by Government relating to the Gandhi-Willingdon correspondence that passed immediately on Mahatma Gandhi's return from London?

(b) If so, why was the portion of the Viceroy's reply to Gandhiji's telegram, dated the 29th December, 1931, which intimated that Gandhiji could see the Viceroy only if he agreed not to discuss the Ordinances or the repressive measures and that, if he insisted on discussing these matters, then the Viceroy would not receive him, suppressed in the communiqué recently issued?

(c) Why was the Mahatma's wire of January 1st, 1932, asking the Viceroy to reconsider his decision and see him as a friend without imposing any condition whatsoever as to the scope of the subjects for discussion and he on his part promising that he would study with an open mind the facts that His Excellency might put before him and unhesitatingly and willingly go to the respective provinces and that if he came to the conclusion after study of both sides of the question that people were in the wrong and Government were right, he should have no hesitation whatsoever in making that open confession and advising the Congress accordingly, suppressed in the Government communiqué?

(d) Why has the correspondence been now published?

(e) Was the communiqué published under the orders of the Executive Council of the Governor General or without their knowledge by the Publicity Department?

**The Honourable Sir Harry Haig:** (a) I have seen the statement.

(b), (c), (d) and (e). The communiqué was issued with the approval of Government to correct certain misapprehensions regarding the correspondence between His Excellency the Viceroy and Mr. Gandhi in January, 1932, which had appeared in the Press.

#### INTRODUCTION OF THE NEW CONSTITUTION IN INDIA.

768. **\*Mr. B. Das** (on behalf of Mr. Bhuput Sing): (a) Will Government be pleased to state whether the lives of the present Central Legislature and the various Provincial Councils are proposed to be extended till the introduction of the new constitution?

(b) When do Government expect that the new Constitution will be introduced in this country?

(c) What is the reason for the delay? When is the Joint Parliamentary Committee expected to be formed and how many Members will be selected from the Central Legislature?

**The Honourable Sir Brojendra Mitter:** (a) So far as the Legislative Assembly is concerned the Honourable Member is referred to the Governor General's message which was read in this House on the 6th March, 1933. A similar question does not at present arise in the case of the Council of State. As regards the provincial Legislative Councils, the decision rests with the Governors of the various provinces.

(b) The Honourable Member is referred to my reply to Mr. Lalchand Navalrai's starred question No. 148 on the 6th February, 1933.

(c) The Honourable Member is referred to my reply to Mr. M. Maswood Ahmad's starred question No. 470 on the 25th February, 1933. I understand that His Majesty's Government will ask Parliament to set up a Joint Select Committee for its consideration at an early date.

#### PROVISION OF A GATE ON A LEVEL-CROSSING ON THE EAST INDIAN RAILWAY ON THE DURGAPUR ROAD NEAR MONGHYR.

769. **\*Mr. Bhuput Sing:** (a) Will Government be pleased to state whether they are aware that the Cigarette Factories' private siding of the East Indian Railway crosses the Durgapur Road near Monghyr station and that no level-crossing gate is provided to protect the public from the danger of being run over there?

(b) Is it not a fact that the locality is a very crowded one and that only very recently a man was run over and killed on this siding?

(c) Do Government propose to ask the Railway authorities to provide a gate on this level-crossing on the East Indian Railway?

**Mr. P. R. Rau:** Government have no information. A copy of the question is being sent to the Agent, East Indian Railway, for any action necessary.

#### STOPPAGE OF THE SUPPLY OF DRINKING WATER TO THE LABOURERS IN NEW DELHI.

770. **\*Mr. Bhuput Sing:** (a) Will Government be pleased to state whether their attention has been drawn to the action of the New Delhi Municipality in stopping the supply of drinking water to the 10,000 labourers who had built the New Delhi palaces and made the town what it is today?

(b) Is it a fact that Government ordered these men to vacate the hovels they occupied and leave the town?

(c) What was the necessity of such an order and the consequent stopping of the supply of drinking water to the labourers?

**Mr. G. S. Bajpai:** (a), (b) and (c). The attention of the Honourable Member is drawn to the information laid on the table of the House on the 14th March, 1933, in reply to starred question No. 349 asked by Mr. Gaya Prasad Singh on the 20th February.

#### PENALTY FOR DELAY OR DEFAULT IN PAYMENT OF INCOME-TAX.

771. **\*Mr. Bhuput Sing:** (a) Will Government be pleased to state what are the grounds on which the imposition of penalty by the Income-tax Officers for delay or default in payment of income-tax is made? What principles govern the gradation of the penalty as regards the amount?

(b) Have Income-tax Officers power to remit the penalty on sufficient and reasonable cause being shown? If not, why not?

(c) Are there any special instructions from the Board of Revenue on the subject? If so, what?

(d) Are Government aware that in many cases of penalty payments of income-tax are not being made or accepted, simply because the assesses find it too hard to pay the penalty which the Income-tax Officers are powerless to remit now that it has been already imposed?

(e) Is any list of defaulters maintained separately in all the income-tax offices?

**The Honourable Sir George Schuster:** (a) Attention is invited to sections 45 and 46 (1) of the Income-tax Act, XI of 1922, under which Income-tax Officers are empowered to impose penalties at their discretion when tax is not paid within the time allowed for its payment. Failure to pay the tax demanded within the time allowed is thus the ground for the imposition of a penalty.

As regards the latter part of the question, attention is invited to the provisions of section 46 (1A) which empower an Income-tax Officer to impose, at his discretion, penalty at a sum less than the amount of tax due and to increase it from time to time in case of a continuing default until it equals the amount of tax due. The amount of penalty in each case is determined according to the nature of the default.

(b) No, because the Income-tax Act gives authority only to a Commissioner of Income-tax to revise orders passed by an Income-tax Officer.

(c) Instructions were issued in 1925 but when the law was amended in 1928 and section 46 (1A) introduced empowering Income-tax Officers initially to levy penalty at an amount less than the amount of tax due and then increase it gradually in the case of a continuing default, these

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instructions became superfluous and were, therefore, withdrawn. Attention is also invited to paragraph 91 on page 238 of the Income-tax Manual, 5th Edition.

(d) No. Government are, however, aware that in many cases defaulters do approach the Commissioner of Income-tax to get penalties reduced or cancelled in case they find it too severe.

(e) Yes.

**DISCRIMINATION WITH REGARD TO THE DEFENCE COUNSEL IN THE INDIVIDUAL CASES AGAINST THE SAME ACCUSED AS WERE INVOLVED IN THE DELHI CONSPIRACY CASE.**

**772. \*Bhai Parma Nand:** (a) Is it a fact that the services of the same Public Prosecutor, Mr. Abdul Aziz, Bar-at-Law, who was prosecuting the Delhi Conspiracy Case, have been retained by Government on the same terms to conduct the individual cases against the same accused as were involved in the Delhi Conspiracy Case?

(b) Is it a fact that in the Delhi Conspiracy Case the accused were given two defence counsels at Government expense, and all the accused were supplied with copies of proceedings and other necessary papers free of any cost?

(c) Is it a fact that after withdrawal of the Delhi Conspiracy Case, the accused applied to Government that the services of their defence counsels be retained and copies of proceedings and other necessary papers be supplied to them free of cost as was done in the Delhi Conspiracy Case?

(d) Is it a fact that Government have refused to comply with any request of the accused with regard to the appointment of the defence counsel at Government expense and the free supply of copies of proceedings and other papers relating to it?

(e) Is it also a fact that Government are sanctioning Rs. 68,000 for the prosecution, but have made no provision for the defence of the accused?

(f) Will Government be pleased to give any reason why they have made discrimination with regard to the defence counsel?

(g) Are Government prepared to reconsider their applications regarding defence counsel, etc., favourably?

(h) Is it also a fact that Messrs. B. P. Jain, S. H. Vatsyayan and Vaishampayan are still undefended in the individual cases against them?

**The Honourable Sir Harry Haig:** (a) and (b). Yes, except that the question of the reduction of the emoluments of the prosecuting counsel is under consideration.

(c) Three accused submitted petitions to the local authorities that Government should continue to pay defence counsel.

(d), (f) and (g). The accused have no claim to defence at Government expense, and as at present advised the Government have no reason to think that there are any special grounds for affording assistance.

(e) Yes.

(h) Yes, just as they were undefended in the case before the Tribunal where they declined the services of counsel paid by Government. They are, however, being tried jointly with other accused who are defended by counsel.

**TRANSFER OF SURPLUS TELEGRAPHISTS FROM THE CENTRAL TELEGRAPH OFFICE, CALCUTTA, TO THE CALCUTTA GENERAL POST OFFICE.**

**773. \*Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that only in Calcutta 23 surplus telegraphists have been transferred from the Central Telegraph Office, Calcutta, to the Calcutta General Post Office to work as signallers?

(b) Is it a fact that as a result of this, candidates who were working in these vacancies have been discharged?

(c) Is it a fact that amongst the discharged candidates there are about 20 men who passed the signalling examination?

(d) Will Government please state why, instead of retiring superannuated telegraphists from the Central Telegraph Office, Calcutta, 23 junior telegraphists have been transferred to the Calcutta General Post Office in this manner?

(e) Is it a fact that in no circle this procedure has been followed except the Bengal and Assam Circle?

(f) Is it a fact that in the Bombay General Post Office, 35 discharged candidates have been confirmed a few months ago by giving them first chance?

(g) Are Government prepared to see that in the Calcutta General Post Office also the discharged candidates are first provided in vacancies before the postmen are promoted in the lower division? If not, why not?

**Sir Thomas Ryan:** (a) No. Calcutta is not the only place where surplus telegraphists have been employed in combined post and telegraph offices. The Honourable Member's attention is invited in this connection to the reply given to parts (b), (c) and (e) of Mr. S. C. Mitra's starred question No. 208 in this House on the 13th September, 1932.

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

(d) There are no superannuated telegraphists in the Central Telegraph Office, Calcutta and the Honourable Member's question therefore does not arise.

(e) The Honourable Member is referred to the reply given to parts (a) and (d).

(f) Government have no information.

(g) The Honourable Member's attention is invited to parts (f) to (h) of the statement laid on the table of this House on the 27th February, 1933, in reply to Mr. S. C. Mitra's starred question No. 252 asked on the 8th of the same month in which the steps already taken in the matter were explained. Government regret that they do not see their way to going further in the interest of the candidates.

**Lieut.-Colonel Sir Henry Gidney:** With reference to the Honourable Member's reply to part (f) of this question, in which he said that Government had no information, will the Honourable Member state whether he will obtain information on this matter?

**Sir Thomas Ryan:** If it is a matter of particular interest to the Honourable Member, I shall do so.

**Lieut.-Colonel Sir Henry Gidney:** Yes, the matter is of some interest to me and I am desirous of getting this information.



**DELAY IN THE DELIVERY OF MAILS FROM CALCUTTA AT THE CHOTKHAND  
BRANCH POST OFFICE IN BURDWAN.**

774. \***Mr. S. C. Mitra:** (a) Is it a fact that the mails posted at Calcutta are delivered on the third day by the Chotkhand B. O. (Burdwan)?

(b) Is it also a fact that this post office is less than 50 miles away from Calcutta?

(c) Is it a fact that inhabitants of the villages served by the Chotkhand B. O. submitted a representation to the Postmaster General, Bengal and Assam Circle, suggesting that mails for that post office may be conveyed by the 41-Up and 42-Down trains from and to Howrah, so that the mail matters may be sent by the Memari sub-office to the Chotkhand B. O. on the morning of the second day for delivery to the villages on that day?

(d) Are Government prepared to see that the villagers experience no further difficulty in receiving their letters from Calcutta on the second day?

**Sir Thomas Ryan:** (a) and (c). Yes.

(b) The mail route is a little longer.

(d) The matter is receiving the attention of the Postmaster General.

**INCREASE IN THE NUMBER OF GAZETTED POSTMASTERS.**

775. \***Mr. S. C. Mitra:** (a) Are Government aware that in the Budget for the year 1933-34 provision has been made for 58 Presidency and Gazetted Postmasters against 55 in the year 1932-33? If so, will Government please state whether they intend to increase the number of Gazetted Postmasters in the ensuing year? If so, where?

(b) Is it a fact that in the Calcutta General Post Office the posts of two Gazetted Assistant Presidency Postmasters have been reduced?

(c) If so, where have these two posts been transferred?

**Sir Thomas Ryan:** (a) and (b). The figure 58 has been incorrectly shown in respect of the year 1933-34, owing to a clerical error for drawing attention to which I am obliged to the Honourable Member. Taking into account the replacement of two gazetted posts in the Calcutta General Post Office by non-gazetted ones for which orders have recently been issued, the actual figure for 1933-34 should be 53.

(c) Does not arise.

**PROVISION FOR MANAGEMENT OF POST OFFICE SAVINGS BANKS AND  
GOVERNMENT SECURITY AND CASH CERTIFICATES WORKS.**

776. \***Mr. S. C. Mitra:** (a) With reference to the provision of Rs. 47,00,000 for management of Post Office Savings Bank and Government Security Works and Rs. 3,30,000 as charges in connection with Cash Certificates, will Government please state on what calculation credits have been given to the Post Office for the services rendered?

(b) Will Government please furnish a statement showing the number of clerks, supervisors employed for Savings Bank, Government Security and Cash Certificate works in the Post Offices and what amount is necessary for their pay, pensionary charges and leave provision?

(c) Will Government please also furnish a statement showing the number of clerks, supervisors, etc., employed in the Postal Audit Offices and what amount is charged to Post Office for their pay, leave provision and pensionary charges?

**Sir Thomas Ryan:** (a) The cost of managing the Savings Bank and Government Security work is calculated on the number of transactions (deposits, withdrawals and transfers) at the rate of seven annas per transaction plus the actual cost of Audit; that of the Cash Certificate work is also calculated on the number of transactions (issues, discharges and transfers) at the rate of four annas and three pies per transaction plus the actual cost of Audit.

(b) Separate figures are not available as in most of the offices the same staff are employed on these as well as on other classes of work.

(c) The numbers of officials employed in Postal Audit offices on the work mentioned are 15 Accountants, 342 Upper Division clerks, 138 Lower Division clerks, and 63 sorters. A sum of about Rs. eight lakhs, being the pay, leave salaries and pensionary charges of this staff, is charged to the Post Office.

**SUBSIDY PAID TO THE PENINSULAR AND ORIENTAL COMPANY FOR CARRYING  
MAILS BETWEEN INDIA AND ENGLAND.**

777. \***Mr. S. C. Mitra:** (a) Will Government please state what amount of subsidy is paid to the Peninsular and Oriental Company for carrying mails between India and England and what amount was paid to them before the renewal of the present agreement?

(b) Will Government please further state whether tender was invited from other steamship companies before renewing the contract? If not, why not?

(c) Will Government please state why there has not been any reduction in the item "Subsidies to Steamship Companies" in the Budget for the year 1933-34, although rates of fare have been reduced by many steamship companies?

**Sir Thomas Ryan:** (a) No subsidy is paid by the Indian Posts and Telegraphs Department to the Peninsular and Oriental Company, which holds a contract with His Majesty's Postmaster-General in London. The contribution made by India to the British Post Office towards the payment made by the latter to the Peninsular and Oriental Company for the conveyance of letter mails was £30,244 during 1930-31. In addition to this a sum of £9,576 was paid to the British Post Office on account of sea transit charges on parcels conveyed by the Company's steamers from India during the same year. The existing contract between His Majesty's Postmaster-General and the Peninsular and Oriental Company came into force on the 1st February, 1908, in each of the three years immediately preceding this, India paid £56,485 including charges for the transit of parcels.

(b) Does not arise as the contract is not with the Government of India.

(c) The reduction of passage fares cannot affect payments made for the conveyance of mails which are fixed for the periods of the various contracts.

**Mr. S. C. Mitra:** When does the contract expire, may I know?

**Sir Thomas Ryan:** The contract was made for a certain term of years and subject to termination by notice thereafter. That notice has not been given, and consequently the contract still runs and will do so until notice of termination is given.

**Diwan Bahadur A. Ramaswami Mudaliar:** May I understand that the original period of contract has still to run and that the contract subsisting is liable to be terminated at any time after due notice?

**Sir Thomas Ryan:** It is open to His Majesty's Postmaster General to give notice of termination of the contract, the original period of contract has expired.

#### INCREASE IN THE BUDGET ESTIMATE UNDER THE HEADING "SUBSIDIES TO OTHERS".

778. **\*Mr. S. C. Mitra:** (a) Will Government please state the reason for the increase in the Budget estimate under the heading "Subsidies to Others" where provision has been made for Rs. 25,20,000 for the year 1933-34 against Rs. 24,85,000 in the year 1932-33?

(b) Are Government aware that there have been considerable reductions in rates of fare of all conveyances? If so, why have there not been considerable reductions in this item too?

**Sir Thomas Ryan:** (a) The small increase of Rs. 35,000 is on account of conveyance of mails between Karachi, Ahmedabad, Bombay, Bellary and Madras by a new air service which was inaugurated during the latter part of the current year.

(b) Any reductions that may have occurred in fares would not immediately affect the charges debited to this head which consist mainly of payments for the conveyance of mails under contracts running for a number of years. The Honourable Member will no doubt have observed from a study of the figures shown against the item referred to by him, that the provision proposed for 1933-34 is less by over Rs. 55,000 than the actual expenditure for 1931-32. This is due to the replacement of contracts on their expiry by fresh ones on more favourable terms.

#### INTEREST ON THE COST OF RAILWAY VANS SET APART FOR USE BY THE POST OFFICE.

779. **\*Mr. S. C. Mitra:** (a) With reference to the provision of Rs. 2,38,900 as interest on railway vans set apart for use by the post office in the Budget, will Government please state why this interest is charged to post office?

(b) Will Government please state whether the mail vans are constructed at the expense of the post office or railways? What amount was expended by the railway for the construction of the mail vans for which such a big amount is charged as interest?

**The Honourable Sir Frank Noyce:** (a) When railway accommodation set apart for postal use forms part of passenger or other coaches, the coaches are constructed at the cost of the railways and not at that of the Posts and Telegraphs Department. The department has, therefore, to pay interest to the railways on the capital outlay.

(b) Mail Vans, which form complete vehicles, are constructed at the cost of the Posts and Telegraphs Department, while for those forming part of other vehicles, the post office pays interest to the railways on the capital cost as just stated. The total amount spent by the Railways for the construction of mail vans of the latter type for which the sum of Rs. 2,38,900 is to be paid as interest, is Rs. 48,13,458.

#### DELIVERY OF LETTERS TWICE A WEEK IN VILLAGE NAGLA BHAWANI SINGH NEAR AGRA CANTONMENT.

780. **\*Rao Bahadur M. C. Rajah:** (a) Are Government aware that in village Nagla Bhawani Singh which is situated at a distance of about a mile from the Agra Cantonment, and about two miles from the General Post Office, Agra, *dak* is delivered only twice a week, i.e., on Mondays and Thursdays?

(b) Are Government aware that in the Cantonment, as also in other parts of Agra, viz., Civil Courts, Dayal Bagh, Belanganj, Jin-ki-Mandi, Loha-Mandi, Shahganj and other places, which are situated at a distance of not less than three miles, *dak* is delivered three times a day?

(c) If the reply to the above questions be in the affirmative, are Government prepared to make arrangements for the delivery of the *dak* in the villages named above similar to those existing for more distant localities in that area?

**Sir Thomas Ryan:** (a) Yes.

(b) Mails are delivered twice and not three times daily in the localities mentioned.

(c) As the village is situated outside the Municipal limits and the number of articles received for delivery is very small, Government do not consider that any modification of the existing arrangements is necessary.

#### BUNGALOWS HIRED FOR THE OFFICERS OF THE NORTH WESTERN RAILWAY DIVISIONAL OFFICE, DELHI.

781. **\*Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal): (a) Will Government please state the total sum of money spent on rent of the bungalows hired for the officers of the North Western Railway Divisional Office, Delhi, and also the total sum of money recovered from them as rent of these bungalows, bringing out clearly the rent borne by the Railway on this account?

(b) Will Government please state the total sum of money spent on the cost of water supplied to the above bungalows, as compared with the water charges recovered from the officers?

(c) Do Government propose to let the officers make their own arrangements as regards the house rent and water charges, and avoid all possible losses to Government? If not, why not?

**Mr. P. R. Rau:** (a) The total monthly rent of bungalows hired for the officers of the North Western Railway Divisional Office, Delhi, amounts to Rs. 1,558-2-0. The rent actually recovered at the rates applicable to

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officers on the North Western Railway, comes to Rs. 576-10-0. The balance of Rs. 981-8-0 is paid by Government.

(b) The average monthly cost of water for 1931-32 amounts to Rs. 265. The amount actually recovered from the officers is Rs. 63 per mensem.

(c) It has already been decided that the existing arrangements should not continue beyond the expiry of the present leases.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member please inform this House whether in view of the recent enhancement of rents to subordinates, the same rules are applied to officials; and (2) what percentage of salary do railway officers pay as house rent?

**Mr. P. R. Rau:** I am not exactly aware what enhancement of rent the Honourable Member is referring to; I am not aware of any such recent enhancement on the North Western Railway.

As regards the second part of the question, the rents are pooled rents taking into account quarters of the same sort of accommodation elsewhere and subject to a maximum of ten per cent. cut of the officer's salary.

**Lieut.-Colonel Sir Henry Gidney:** Is it or is it a not fact that officers of the North Western Railway receive house accommodation totally at variance with the amount of accommodation they receive for the rent they pay, or, in other words, do these officers receive a larger amount of accommodation than is justified by the actual rent paid by them as compared with subordinates?

**Mr. P. R. Rau:** I have not made any such detailed comparison, and I am afraid I cannot give a reply off hand to my Honourable friend.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member make the necessary inquiries in the matter?

**Mr. P. R. Rau:** If the Honourable Member will put down a question on the paper showing exactly what he wants, I will consider it.

# MOTOR CAR ALLOWANCE GRANTED TO THE OFFICERS OF THE NORTH WESTERN RAILWAY DIVISIONAL OFFICE, DELHI.

782. **\*Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal): Will Government please state the number of officers of the North Western Railway Divisional Office, Delhi, who are granted motor car allowances, with the total amount involved in this? Will Government please state the average number of mileage each officer has to travel, in return for the motor car allowances granted to him?

**Mr. P. R. Rau:** I lay on the table a statement which gives the information required.

## Statement showing the number and designation of officers of the North Western Railway Divisional Office, Delhi, drawing Motor Car Allowance.

| No. | Designation of Officers                     | Amount of motor car allowance. | Average mileage p. m. |
|-----|---------------------------------------------|--------------------------------|-----------------------|
|     |                                             | Rs.                            | Rs.                   |
| 1   | Divisional Superintendent . . . . .         | 50                             | 300                   |
| 2   | Divisional Executive Engineer . . . . .     | 50                             | 300                   |
| 3   | Divisional Rolling Stock Officer . . . . .  | 50                             | 300                   |
| 4   | Divisional Commercial Officer . . . . .     | 50                             | 300                   |
| 5   | Divisional Transportation Officer . . . . . | 50                             | 300                   |
| 6   | Sub-Divisional Officer . . . . .            | 50                             | 300                   |
| 7   | District Medical Officer . . . . .          | 75                             | 440                   |

## CERTIFICATES OF SICKNESS PRODUCED BY THE NORTH WESTERN RAILWAY EMPLOYEES.

783. **\*Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal): (a) Is it a fact that certificates of sickness produced by North Western Railway employees from registered medical practitioners, or from civil hospitals, other than Railway Medical Officers, are not accepted by the Department as a correct proof of the employees' sickness, and their absence is not treated as leave on average pay, even if due? If so, why? Do Government propose to remove this restriction? If not, why not?

(b) Are Government aware that the Railway Medical Officers do not grant a medical certificate to employees who, though actually sick, do not take up the treatment of the Railway Medical Officers?

(c) If so, are Government aware that this procedure restricts the choice of sick employees for their treatment to the one railway doctor, stationed at the station?

(d) Do Government propose to allow the railway employees to take the treatment of any doctor, and to ask the railway doctors to certify the sickness, if necessary?

**Mr. P. R. Rau:** I have called for certain information and will lay a reply on the table in due course.

## QUALIFYING EXAMINATION FOR PROMOTION TO THE ACCOUNTANTS' GRADE.

784. **\*Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal): (a) Is it a fact that the Auditor General has laid down the following rule for those who pass the examination qualifying for promotion to the accountants' grade?

"Other qualifications being equal, candidates are ordinarily selected in the order of their passing the examination, but in order to allow for the length of service and experience every three complete years of the excess in length in service should be treated as compensating for one year's delay in passing the examination."

(b) Do Government propose to introduce a similar rule in the Accounts Department?

**Mr. P. R. Rau:** (a) Yes.

(b) Such a provision is considered unnecessary in the Accounts Department where the rule is that promotion shall at every stage be by selection according to merit, due regard being paid to seniority. The authority empowered to make a promotion is required, in doing so, to take into account the past experience and past records of those the character and length of whose service entitled them to consideration and to select the most suitable from among them.

**DIFFERENTIAL TREATMENT IN THE MATTER OF GRANTING FACILITIES FOR RUNNING EUROPEAN AND INDIAN REFRESHMENT ROOMS ON THE EAST INDIAN RAILWAY.**

785. **\*Mr. K. P. Thampan** (on behalf of Mr. Gaya Prasad Singh): (a) Is it a fact that the servants of Messrs. Kellner and Co. (or Messrs. Spencer and Co.) get free quarters for their residence, and free furnished quarters for their Managers at Railway stations on the East Indian Railway, but that the servants and Managers of the Indian Refreshment Rooms on the East Indian Railway get no such concessions? Why is this differentiation?

(b) Is it a fact that the staff of the Indian Refreshment Room on the Great Indian Peninsula Railway are provided with quarters for residence?

(c) Is it a fact that a store-room is given by the East Indian Railway to Messrs. Kellner and Co. for storing their provisions at stations where they have got Refreshment Rooms, but no such store-room is given to the Indian Refreshment Room? If so, why?

(d) Is it a fact that the *khansamas* of the Indian Refreshment Rooms are given very few passes on the East Indian Railway to travel in trains along with their customers, whereas any number of *khansamas* of the European Refreshment Rooms are allowed to travel if they have crockeries with them? If so, why similar concession is not allowed to the Indian Refreshment Room? Are Government aware that passengers who have to take food from the Indian Refreshment Rooms are put to considerable inconvenience and discomfort on this account?

(e) Is it a fact that wine and liquor are allowed to be used without any restriction in Kellner's (or Spencer's) Refreshment Room, whole night, without the usual restriction that no wine or liquor should be sold after 10 P.M.? Is similar concession given to the Indian Refreshment Rooms on the East Indian Railway?

(f) Will Government kindly lay on the table the rules or instructions issued by them or by the East Indian Railway authorities in connection with the points mentioned above, and do they propose to take steps to put the European and Indian Refreshment Rooms on equal footing? If not, why not?

**Mr. P. R. Rau:** (a) to (c). The answer is in the negative.

(d) Government are informed that passes are issued to all Refreshment Rooms on the same scale according to local requirements.

(e) The Agent reports that only *bona fide* travellers are served outside the meal hours and that the practice is governed by the Excise Regulations.

(f) There are no specific rules so far as I am aware regarding these matters. Government have no reason to believe that any differentiation is made between European and Indian Refreshment Rooms, but I am sending a copy of the question and answer to the Agent of the East Indian Railway for any action that may be considered necessary.

**Mr. K. P. Thampan:** May I know whether in the M. & S. M. Railway also Messrs. Spencer and Co., get such rooms free of rent?

**Mr. P. R. Rau:** That question, Sir, does not arise out of this, and, if my Honourable friend desires information on the point, I would ask him to put down a question on the paper.

**HUNGER-STRIKE OF STATE PRISONER MR. TRAILOKYA NATH CHAKRAVARTY DETAINED IN THE CANNANORE CENTRAL JAIL.**

786. **\*Mr. K. P. Thampan** (on behalf of Mr. Gaya Prasad Singh): Will Government kindly state:

(a) whether Mr. Trailokya Nath Chakravarty, a Bengal State Prisoner, detained under Regulation III of 1818, now in the Cannanore Central Jail, has been on hunger-strike since February 15, 1933? If so, why;

(b) what his present weight is, what his weight was on admission in the jail, and what his present condition of health is;

(c) whether any recourse to forced feeding is being resorted to and medical aid administered;

(d) whether any representation from the State Prisoner regarding his grievances has been received by Government;

(e) whether he is the only State Prisoner in that jail;

(f) why he is denied any association in that jail or why he is not sent to some other jail in the Presidency where there are other Bengal State Prisoners?

**The Honourable Sir Harry Haig:** (d) I would refer the Honourable Member to the reply given by me to Mr. S. C. Mitra's question No. 727, on the 13th instant.

(b) The weight on admission was lbs. 136 and it came down to about lbs. 120 during the Prisoner's hunger-strike. I understand that his general health after the hunger-strike is satisfactory.

(c) The State Prisoner was not fed forcibly. His condition during the hunger-strike was under the observation of the medical officer of the Jail.

(d) A representation was received; but Government considered that the State Prisoner had no legitimate grievance.

(e) No, except during certain temporary conditions.

(f) The Prisoner has been and will be afforded proper association.

**TENDERS FOR SALE OF INDIAN REFRESHMENTS ON THE HOWRAH DIVISION, EAST INDIAN RAILWAY.**

787. **\*Mr. K. P. Thampan** (on behalf of Mr. Gaya Prasad Singh): Has the attention of Government been drawn to an advertisement, dated the 20th May last, and published in the *Leader*, dated the 23rd May, 1932,

inviting sealed tenders from "catering firms for the sale of Indian Refreshments" on certain sections of the Howrah Division (East Indian Railway), and stating that the successful tenderer will be required to deposit Rs. 5,000? Are similar tenders called for the sale of English Refreshments? If so, on what occasions such tenders have been called? If not, why is this differentiation? Is it a fact that the party which gives the lowest tender for the sale of Indian Refreshments is generally given the contract, and are Government aware that this results in the quality of the food supplied deteriorating?

**Mr. P. R. Rau:** Government are informed that the advertisement was with reference to the arrangements for the supply of Indian refreshments only on one Division of the East Indian Railway, and that this has been tried as an experiment with the object of obtaining uniformity, efficiency and better service for the public by putting the whole contract in the hands of one responsible firm instead of spreading it over various petty contractors. Catering in the European style is already in the hands of one firm with satisfactory results, and as no change was contemplated no call for tenders was considered necessary. In calling for tenders the right is invariably reserved of not accepting the lowest or highest or any tender and the administration will carefully consider the necessity of preventing any deterioration in the quality of food supplied before accepting any tender. I am drawing the Agent's attention to this question to impress on him the necessity of considering very carefully this aspect of the matter.

#### PASSPORT FOR MR. SAILENDRA NATH GHOSH, AN EXILE IN AMERICA.

**788. \*Mr. Gaya Prasad Singh:** Is it a fact that Mr Sailendra Nath Ghosh has been an exile in America since 1916, and that the Government of India are not agreeable to the grant of a passport for his return? If so, why?

**The Honourable Sir Harry Haig:** Mr. Sailendra Nath Ghose left India in 1916. The Government of India are not in favour of granting him passport facilities to return in view of his activities in India and abroad.

#### CLOSING TO THE PUBLIC OF THE VICTORIA PARK IN QUEEN'S GARDEN, DELHI.

**789. \*Mr. Gaya Prasad Singh:** Is it a fact that the Victoria Park in the Queen's Garden, Delhi, has been closed to the public? If so, why?

**Mr. G. S. Bajpai:** I am waiting for certain information and will lay a reply on the table of the House in due course.

#### ARREST OF INDIANS IN GERMANY.

**790. \*Mr. Gaya Prasad Singh:** Are Government aware that many foreigners, including some Indians, have been arrested in Germany recently? If so, have Government taken the trouble of finding out who these Indians are and for what offence they have been arrested? What steps have been taken in this connection?

**Mr. H. A. F. Metcalfe:** The Government of India have seen certain reports on the subject in the Press but have no official information. They are making enquiries from His Majesty's Government and the information thus obtained will be laid on the table in due course.

#### OAKGROVE SCHOOL MAINTAINED BY THE EAST INDIAN RAILWAY.

**791. \*Pandit Satyendra Nath Sen:** (a) With reference to Mr. Rau's answer to starred question No. 293 of the 8th February, 1933, that it was intended to deal separately with the Oakgrove European School, because it was the joint concern of two different Railways, will Government be pleased to state:

(i) the amount contributed by the East Indian Railway, and North Western Railway, separately for the maintenance of the Oakgrove School during 1931-32; and

(ii) the number of children separately of (1) the East Indian Railway employes, (2) the North Western Railway employes, and (3) of non-railway parents in the school on the 31st March, 1932?

(b) Is it not a fact that the lands and buildings, plant and equipment of the Oakgrove School are the property of the East Indian Railway?

(c) Is it not a fact that the Oakgrove School is maintained by the East Indian Railway, the North Western Railway only making a small contribution to the East Indian Railway for the North Western Railway children reading therein?

(d) Is it not a fact that the administrative control over the school is vested in the East Indian Railway?

(e) Is it not a fact that the medical, electrical and other staff attached to the School are East Indian Railway employes?

(f) Is it not a fact that the teaching staff of the school are also treated as East Indian Railway employes, and not as joint employes of the two Railways, and that their names are borne on the East Indian Railway classified list of staff?

(g) Is it a fact that passes to the staff employed therein are issued by the East Indian Railway and not by the North Western Railway?

**Mr. P. R. Rau:** (a), (i) and (c). The East Indian Railway maintains the school and spent Rs. 1,62,847 on this in the year 1931-32. The North Western Railway does not directly contribute to the maintenance of the school, but makes certain payments to the East Indian Railway based on the number of children of North Western Railway employees attending the school. The full details of the arrangement are given on pages 3-4 of Mr. Smith's Report on Educational Facilities for the Children of Subordinates provided by the North Western, East Indian and Great Indian Peninsula Railways.

(ii) East Indian Railway 404, North Western Railway 47, Others 6.

(b), (d), (e), (f) and (g). Yes.

**Pandit Satyendra Nath Sen:** From the answer it appears that the Oakgrove School is much more intimately connected with the East Indian Railway than with the North Western Railway. Are we then to understand that the motive of the Railway authorities in dealing with it separately was simply to give it a differential treatment?

**Mr. P. R. Rau:** I am answering that question in my reply to the next question.

## OAKGROVE SCHOOL MAINTAINED BY THE EAST INDIAN RAILWAY.

792. \*Pandit Satyendra Nath Sen: (a) Are Government aware that on the 1st February, 1928, in reply to starred question No. 110 (d) of Pandit H. N. Kunzru, Mr. (now Sir) Alan Parsons, the then Financial Commissioner, said: "The Oakgrove School is under the East Indian Railway Administration"?

(b) Are Government aware that on the 8th February, 1933, in reply to a starred question of Mr. Maswood Ahmad, Mr. P. R. Rau said: "The East Indian Railway maintains the Oakgrove School"?

(c) Is it a fact that the Oakgrove School is maintained primarily by the East Indian Railway, with a small grant only from the North Western Railway and that the school is under the East Indian Railway administration and is the property of the said Railway? If so, why was it excluded from the scope of Mr. Smith's enquiry as a joint concern?

(d) Did not the published terms of reference to Mr. Smith, include all the State Railway Schools, without exception? If so, at what stage was the Oakgrove School excluded from the purview of Mr. Smith's enquiry? Will Government be pleased to lay on the table a copy of the instructions subsequently issued to Mr. Smith, excluding the Oakgrove School?

Mr. P. R. Rau: (a) and (b). The Honourable Member's quotations are correct.

(c) and (d). As I have already explained in reply to earlier questions on the subject, I do not know exactly the reason why Oakgrove school was excluded, as there is nothing on record. It was a mere guess on my part that the reason might have been that the North Western Railway was also interested in it.

Pandit Satyendra Nath Sen: Then who is the man who can give a direct answer on that point?

Mr. P. R. Rau: Nobody can, because there is nothing on record

## ISSUE OF PASSES TO THE TEACHING STAFF OF THE EAST INDIAN RAILWAY HIGH SCHOOLS.

793. \*Pandit Satyendra Nath Sen: (a) With reference to Mr. Rau's answer to starred question No. 144 of Mr. Gaya Prasad Singh on the 3th February, 1933, will Government please state whether they are aware that any Provincial Government makes any distinction between the teachers of Government boarding schools and those of mixed day and boarding or purely day schools of the same educational standard as regards status? If so, which?

(b) Is it a fact that three of the Indian high schools maintained by the East Indian Railway have also boarding houses attached to them?

(c) Are Government aware that headmasters in all the Provincial Government high schools in the same scale of pay as the headmasters of the East Indian Railway high schools are treated as officers, not as subordinates? If so, why do the Government of India and the Railway Board treat Headmasters in the Railway High Schools as subordinates?

(d) With reference to Mr. Rau's assurance in reply to Mr. Maswood Ahmad's starred question No. 316(d) of the 16th September, 1932, have Government come to any decision as regards granting the status of honorary officers to the headmasters of the East Indian Railway Indian high schools along with the Principal and the Headmaster and the First Assistant Teacher of the Oakgrove School? If so, when are Government likely to come to a decision?

Mr. P. R. Rau: (a) Government regret they have no information on the subject.

(b) I am informed that there are hostels attached to these High Schools.

(c) and (d). It has been decided that the headmasters of the railway high schools will be treated as first class officers for purpose of travelling to the same extent and under the same conditions as headmasters of high schools under the Provincial Government concerned, with whose pay their pay has been assimilated.

## ISSUE OF PASSES TO THE TEACHING STAFF OF THE EAST INDIAN RAILWAY HIGH SCHOOLS.

794. \*Pandit Satyendra Nath Sen: (a) How long have the present Head Mistresses in the Girls' School, and the Junior School at Oakgrove been employed there?

(b) Is it a fact that one of these two Head Mistresses was recruited only last year or year before last?

(c) Is it not a fact that the Headmistress recruited recently is also given first class passes?

(d) If so, how do Government reconcile Mr. Rau's answer to Mr. Gaya Prasad Singh's starred question No. 144 of the 6th February, 1933, that first class passes are given only to those teachers at Oakgrove who have enjoyed them since their appointment in the days when the East Indian Railway was under Company management and these first class passes are, therefore, treated as personal to them and not necessarily admissible to their successors with the fact that first class passes are given to a teacher recruited only a year ago?

Mr. P. R. Rau: (a) Since 19th April, 1918, and 1st March, 1914, respectively.

(b) and (c). No, but in the absence of one of them on leave, an officiating appointment has been made, and Government are informed that the present officiating incumbent of the post has been allowed first class passes.

(d) The question whether this privilege should be withdrawn and she should be considered entitled to second class passes in future is under consideration.

## DISTINCTION BETWEEN OAKGROVE SCHOOL AND OTHER SCHOOLS MAINTAINED BY THE EAST INDIAN RAILWAY.

795. \*Pandit Satyendra Nath Sen: (a) With reference to the answers given to starred question No. 110(d) of Pandit H. N. Kunzru of the 1st February, 1928, question No. 144 of Mr. Gaya Prasad Singh of the 6th February, 1933, and question No. 292 of Mr. Maswood Ahmad of the 8th



February, 1933, that the Oakgrove School is also maintained by and is under the East Indian Railway like the Indian schools, will Government please state why the Oakgrove School is referred to as "Government Oakgrove European School" in Rule 3(7) of the East Indian Railway Provident Fund rules revised up to October, 1932, while the other schools maintained by the East Indian Railway are referred to as simply "Railway Schools"? Will Government be pleased to state the distinction between the two descriptions (now that the East Indian Railway is a State Railway) and also the grounds on which the distinction is based?

(b) Are not the Indian schools maintained by the East Indian Railway also Government schools in that sense? Is it not a fact that on the 12th September, 1929, in reply to starred question No. 445 of Pandit H. N. Kunzru, Sir George Rainy, the then Commerce Member, declared that they were also Government schools?

**Mr. P. R. Rau:** The passage quoted by the Honourable Member from the East Indian Railway Provident Fund Rules does not imply that it is intended to draw any distinction between Oakgrove School and the other East Indian Railway Schools. The latter are Government Schools to the same extent as the former.

#### RE-INSTATEMENT OF MR. H. N. SINHA, DISCHARGED HEAD MASTER, EAST INDIAN RAILWAY SCHOOL, DINAPUR.

796. **\*Pandit Satyendra Nath Sen:** (a) Will Government be pleased to state if the teachers in the East Indian Railway schools have a right of appeal to the Railway Board and the Government of India against orders passed by the Railway Administration?

(b) Is it a fact that Mr. H. N. Sinha, discharged Head Master of Dinapur, East Indian Railway Indian School, appealed to the Government of India against the order of discharge and was ordered by the Government of India to be reinstated in the first vacancy available in a Head Master's or first assistant teacher's post in any East Indian Railway high school?

(c) Has he been reinstated? If not, why not?

**Mr. P. R. Rau:** (a) I would refer my Honourable friend to the reply I gave on the 8th February to a very similar question No. 297 put by Mr. M. Maswood Ahmad.

(b) and (c). Mr. Sinha's appeal was entertained by the Railway Board and orders were issued that he should be re-appointed in a next suitable vacancy. At the time his re-appointment was being considered, it was discovered that he was over-age and consequently he was not appointed.

**Pandit Satyendra Nath Sen:** May I know if the privilege of appealing to the Railway Board as well as to the Government of India will be continued if these schools are declared as non-Government schools?

**Mr. P. R. Rau:** That is a hypothetical question.

#### UNFAIR MEANS USED BY CANDIDATES FOR THE SUBORDINATE ACCOUNTS SERVICE EXAMINATION IN THE PESHAWAR CENTRE.

797. **\*Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal): (a) Will Government kindly state all the circumstances under which candidates for the Subordinate Accounts Service examination in the Peshawar centre held in 1932, were able to avail themselves of unfair means?

(b) Is it correct that 12 clerks and a Comptroller of the North-West Frontier Province have been suspended for the same?

(c) Is it a fact that an elaborate scheme had been devised for giving unfair help to candidates sitting in the examination hall and that elaborate arrangement had been made for the purpose?

(d) Are Government in a position to state whether everyone concerned with this unfortunate incident has been punished?

(e) Will Government place all the necessary papers in connection with the enquiry held by the Auditor General on the table of the House?

**The Honourable Sir George Schuster:** With your permission, Sir, I shall answer all the parts of the question together.

It is the case that serious irregularities are proved to have taken place in connection with the Subordinate Accounts Service Examination held in the office of the Comptroller, North-West Frontier Province. Following a preliminary enquiry held by the Auditor General, the Comptroller himself and 11 clerks were suspended and a formal inquiry was held under the orders of the Auditor General, which has only just been concluded. On the findings of this inquiry five clerks have been dismissed, one clerk has been debarred from appearing in the Subordinate Accounts Service Examination for five years and three clerks have been similarly debarred for two years. Two clerks were honourably acquitted. The remaining issues in the case have not yet been decided and Government are not at liberty to furnish further information at this stage.

#### RENT CHARGED FROM THE POSTAL AND RAILWAY MAIL SERVICE UNION AT CALCUTTA FOR ACCOMMODATION PROVIDED IN THE POST OFFICE BUILDING.

798. **\*Mr. Goswami M. R. Puri:** (a) Is it a fact that rent is being charged from the Postal and Railway Mail Service Union at Calcutta for the accommodation provided in the Post Office building for holding the office of the Union?

(b) Is it a fact that the office of the Postal Officers' Association, India, is located at 1, Council House Street, as the address, printed in the "Monthly Notes" the official organ of the Association, indicates?

(c) Is the building at 1, Council House Street, a Government one?

(d) If so, will Government please state if rent is being recovered from the Postal Officers' Association for the accommodation provided? If so, what is the amount of monthly rent?

(e) If the reply to the above be in the negative, will Government please state why no rent is charged?

**Sir Thomas Ryan:** (a) Yes.

(b) to (e). No. 1, Council House Street, Calcutta, where the office of the Postmaster-General, Bengal and Assam Circle, is located is simply the address of one of the Assistant Postmasters-General attached to that office, who happens to be the Honorary Secretary of the Association. The Association however does not occupy any space in the office building, and no rent is therefore charged.

PRINCIPLE FOLLOWED IN THE ALLOTMENT OF CLERKS' QUARTERS IN  
NEW DELHI.

799. \*Mr. M. Maswood Ahmad: (a) Is it a fact that married clerks' quarters in New Delhi have been divided into certain classes on the basis of emoluments drawn by these clerks?

(b) Is it a fact that these quarters have been grouped into two areas—migratory and non-migratory?

(c) Is it a fact that in the case of the non-migratory quarters preference is given to those clerks who on the last date for application for quarters are ineligible for the residence by reason of an increase in their emoluments, and that no such preference is given in the case of the migratory staff? If so, will Government please state the principle determining this distinction?

(d) If the answer to the first part of part (c) above be in the affirmative, are Government prepared to consider the suitability of following one and the same principle in the allotment of quarters in both the areas mentioned in part (b) above and of giving effect to it while making allotment of quarters for the next winter season?

The Honourable Sir Frank Noyce: (a) and (b). Yes.

(c) In the case of the non-migratory staff, a clerk who by an increase in pay becomes entitled to a higher class of houses is nevertheless permitted to retain his lien of a house in his old class until he is able to obtain a house in his new class. There is no corresponding rule in the case of the migratory staff. The rule was introduced in 1930 as a representation was made on behalf of the non-migratory staff that in the absence of such a rule great hardship was being caused to them.

(d) Government do not see any necessity for having identical rules for the migratory and the non-migratory staff in the matter of allotment of quarters.

CASE OF ONE MR. BHAGWANANI, CLERK, KANDIARO POST OFFICE IN THE SIND  
AND BALUCHISTAN CIRCLE.

800. \*Mr. M. Maswood Ahmad (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that one Mr. Bhagwanani, clerk, Kandiario P. O. in Sind and Baluchistan Circle, stole and secreted two registered letters in January, 1932, and that the case was reported to the Police?

(b) Is it a fact that the Inspector, Post Offices, Padidan, asked the Police not to challan the case in the law court, and is it a fact that the Police protested against this?

(c) Is it a fact that the Director of Posts and Telegraphs, Sind and Baluchistan Circle, Karachi, withdrew the case in spite of the protest of the Police?

(d) Is it a fact that the same Mr. Bhagwanani was accused of having misappropriated Government money from the amount of V. P. articles during the same month of January, 1932?

(e) Is it a fact that thorough enquiries were made by the Inspector of Post Offices, Padidan and the Investigating Inspector (both Hindus) and the charge was proved against Mr. Bhagwanani?

The Honourable Sir Frank Noyce: With your permission, Sir, I propose to deal with questions Nos. 800 to 805 together. These questions all relate to details of administration in the Sind and Baluchistan Postal Circle.

Government have no information as to the cases referred to by the Honourable Member nor do they consider it necessary to make any enquiries. But they are glad of this opportunity of stating that they have complete confidence in the impartiality of the Director against whom most of these questions have been directed.

CASE OF ONE MR. NANAKCHAND, A BRANCH POSTMASTER, IN THE SIND AND  
BALUCHISTAN POSTAL CIRCLE.

†801. \*Mr. M. Maswood Ahmad (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that one Mr. Nanakchand, Branch Postmaster, in Sind and Baluchistan Circle, misappropriated Government money for years together in the shape of unpaid postage?

(b) Is it a fact that exhaustive enquiries were made in the matter and that the charge was proved against Mr. Nanakchand?

(c) Is it a fact that instead of handing over the case to the Police as required by rules the case was dealt with departmentally and that Mr. Nanakchand was dismissed from service?

(d) Is it a fact that after his dismissal he was reinstated by Mr. Mitra, the present Director of Posts and Telegraphs, Karachi, and that he was made to retire on pension?

(e) Is it a fact that as the grant of pension was irregular, the Nagpur Audit office raised an objection to this?

(f) Is it a fact that in order to remove that objection, a temporary post of Branch Postmaster was created by Mr. Mitra, the Director, who passed orders to revert the present Branch Postmaster and to show Mr. Nanakchand as on leave preparatory to retirement?

CASE OF ONE MR. RAMCHAND, SUB-POSTMASTER, GWADUR.

†802. \*Mr. M. Maswood Ahmad (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that one Ramchand, Sub-Postmaster, Gwadur, misappropriated Government money in the shape of *punkha* puller's pay?

(b) Is it a fact that an elaborate enquiry was instituted against the said official and that the Investigating Inspector of the Director's office was specially deputed for this purpose?

(c) Is it a fact that this Mr. Ramchand was subsequently charge-sheeted in the matter and that all charges mentioned therein were proved against him?

(d) Is it a fact that the matter was hushed up instead of being reported to the Police?

(e) Is it a fact that the Director of Posts and Telegraphs, Karachi, while punishing this Mr. Ramchand, only ordered the amount, fraudulently misappropriated by him, to be recovered from him and credited to Government and that the request of Mr. Ramchand for voluntary retirement was accepted?

† For answer to this question, see answer to question No. 800.

(f) Is it a fact that he was given all the concessions under the retrenchment scheme?

(g) If the answers to the above questions are in the affirmative, are Government prepared to institute an independent enquiry against Mr. Mitra, the Hindu Director?

**AMOUNT LOST IN TRANSIT BETWEEN QUETTA HEAD POST OFFICE AND KILLA ABDULLA POST OFFICE.**

†803. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that a sum of Rs. 1,500 was mysteriously lost in transit between the Quetta Head Post Office and Killa Abdulla Post Office?

(b) Is it a fact that the Postmaster, Killa Abdulla, at once wired to the Postmaster, Quetta, and to the Superintendent, Post Offices, Quetta, regarding the non-receipt of the said amount?

(c) Is it a fact that the Postmaster, Quetta, and the Head Clerk to the Superintendent of Post Offices, Quetta (the Superintendent being on tour) took no action on the telegram received from the Postmaster, Killa Abdulla, on the day of receipt of the telegram and even on the next day till the daily account of Killa Abdulla was received in the Quetta H. O. and that even then no report was made to the Police?

(d) Is it a fact that, according to the Post Office rules, the Postmaster, Quetta, was personally responsible for taking action on the telegram received by him from Killa Abdulla and for reporting the matter at once to the Police?

(e) Is the Postmaster, Quetta, the same officer who, for certain neglect, committed by him in the Punjab was required to make good a loss sustained by Government? If so, will Government please state whether they propose to take any action against him and whether his retention in his present officiating capacity in the gazetted rank is likely to be prolonged?

**LOSS OF A REGISTERED LETTER CONTAINING CURRENCY NOTES IN THE QUETTA HEAD POST OFFICE.**

†804. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that Loralai registered letter No. 46 containing currency notes was mysteriously lost in the Quetta H. O.?

(b) Is it a fact that the matter was not reported to the Police for two or three days?

(c) Is it a fact that in addition to the authorised clerks of the registration department several unauthorised persons also handled the articles?

(d) Is it a fact that the Hindu registration clerks concerned and responsible for the loss went to the addressee of the registered letter in question and after assuring her that the letter contained no money and was not even sealed asked her to grant a receipt for the undelivered article which she refused?

† For answer to this question, see answer to question No. 800.

(e) Is it a fact that the sender of the article in question complained against the above behaviour of these clerks to the Postmaster, Quetta, and that the Hindu officer kept back that important letter from the Inspector, Post Offices, who was making enquiries in the matter and did not make it over to the Police even, as that was likely to give assistance in the investigation?

**AMOUNT LOST IN TRANSIT BETWEEN QUETTA HEAD POST OFFICE AND STAFF COLLEGE POST OFFICE IN THE SHAPE OF UNPAID POSTAGE.**

†805. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that a certain amount was lost in transit between Quetta H. O. and Staff College Post Office in the shape of unpaid postage?

(b) Is it a fact that in such cases according to Post Office rules a report is to be made to the Head of the Circle? If so, was any report submitted by the Postmaster, Quetta, to the Director of Posts and Telegraphs, Karachi? If not, why not?

(c) Is it a fact that in cases of loss a report is to be made to the Police? Was a report made to the Police in the case in question? If not, why not?

Is it a fact that no departmental enquiry was made in the matter, nor was the case made over to the Inspector of Post Offices, Quetta, for enquiry?

(d) Is it a fact that the Sub-Account clerk, Mr. Durgadas, asked the Sub-Postmaster, Staff College, to acknowledge irregularly the receipt of the said amount and then show it as returned to the Head office?

(e) Is it a fact that the Sub-Postmaster, Staff College, refused to adopt this irregular procedure and reported the matter to the Postmaster, Quetta?

(f) Is it a fact that no action was taken by the Postmaster, Quetta, on this report of the Sub-Postmaster, Staff College?

(g) Is it a fact that Mr. Durgadas was suspected once before of having abstracted a golden ring from a foreign packet and remained under Police arrest?

(h) Is it a fact that in the loss case mentioned above in part (a) of the question, no enquiry was made and that the amount was continuously shown as in transit between Staff College and Quetta H. O. and was subsequently adjusted somehow without enquiry?

(i) Did the Director of Posts and Telegraphs, Karachi, take any action in the matter when it was brought to his notice? If so, what action was taken? If not, why not?

**ALLEGED AGITATION AGAINST ONE MR. GYANDEV AURORA, A SUPERINTENDENT OF POST OFFICES.**

806. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Are Government aware that there was a great deal of agitation in Sindhi newspapers against Mr. Gyandev Aurora started by Sindhi Hindus, when he was Superintendent of Post Offices, Karachi?

† For answer to this question, see answer to question No. 800.

(b) Is it a fact that there was great agitation against him among the Muslims, when he was Superintendent of Post Offices, Baluchistan Division?

(c) If these facts are correct, do Government propose to find out and remedy the causes of this agitation?

**The Honourable Sir Frank Noyce:** (a) No.

(b) The fact is substantially as stated by the Honourable Member.

(c) The Honourable Member's attention is invited to the reply given to parts (b) and (c) of Mr. Maswood Ahmad's starred question No. 492 on the 20th September, 1932.

#### RECRUITMENT OF GARHWALI HINDUS IN THE QUETTA HEAD POST OFFICE AS PACKERS AND POSTMEN.

807. **\*Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that the Director-General, Posts and Telegraphs, has restricted recruitment to the Revenue Division?

(b) Is it a fact that in the Quetta H. O. Garhwali Hindus have been imported and appointed as packers and postmen in spite of such clear orders?

(c) Is it a fact that knowledge of local vernacular is a necessary qualification for the appointment of postmen and packers in the Post Office?

(d) Is it a fact that these Garhwali postmen and packers do not know the local vernacular and that some of them, namely, Surjupershad and others, are totally illiterate? If so, do Government propose to take action against the officials responsible for the recruitment of these postmen and packers?

**Sir Thomas Ryan:** (a) The Director-General's instructions are to the effect that as a general principle candidates for recruitment for the subordinate services in all branches of the Posts and Telegraphs Department must belong to the revenue division in which they enlist, but Heads of Circles are authorised to depart from these instructions at their discretion should local conditions make this necessary.

(b) and (d). Information has been called for and a reply will be laid on the table in due course.

(c) Yes.

#### LETTERS FOUND UNCLEARED FROM THE LETTER BOX OF THE PISHIN POST OFFICE.

808. **\*Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that a good many letters remained uncleared from the letter box of Pishin Post Office? If so, who was held responsible for this serious neglect and what action was taken against him, and how were the letters disposed of?

(b) Will Government be pleased to mention the period to which these letters pertained?

(c) Is it the duty of the Inspecting Officer to see while inspecting that there are no crevices in the letter box and no letters remain stuck in the letter box?

(d) If so, who inspected the Pishin office before the letters in question were found and what action was taken against him?

**Sir Thomas Ryan:** The information is being obtained and a reply will be laid on the table of the House in due course.

#### SHORT NOTICE QUESTION AND ANSWER.

##### DELAY IN THE DESPATCH FROM KARACHI OF THE AIR MAIL.

**Mr. F. E. James:** Will Government be pleased to explain the circumstances which led to the delay in the despatch from Karachi of the Air Mail which was due to leave on Wednesday, the 8th March, 1933.

**The Honourable Sir Frank Noyce:** The prime cause of the misconnection of the mails from Delhi on the 8th March was that the airmail aeroplane of the Delhi-Karachi service experienced minor engine trouble between Delhi and Jodhpur, which involved a delay for the rectification of the trouble at Jodhpur. The air mail machine left Jodhpur 1½ hours late at 3-35 P.M. In normal conditions it would have been possible for the air mail to reach Hyderabad on the night of the 7th, but the weather conditions were adverse. Dust storms and strong headwinds had been forecasted and were actually experienced, with the result that the pilot could not proceed with safety beyond Godhra Road where he spent the night. Leaving at day break the next morning, he was unable to reach Karachi before 9-08 on the 8th.

Imperial Airways' schedule time of departure is 08-30. The Imperial Airways pilot waited until 09-15, but, in view of the distance to Sharjah and the unfavourable nature of the last 150 miles of the route, over sea and mountains, it was impossible for him to risk a further delay to permit of the Delhi mails being sorted and placed on the machine. Arrangements have since been made for the mails from Delhi for London to be placed in a separate bag or bags and weighed, so that they can be transferred to the Imperial Airways machine without delay, should there be a recurrence of delay which still allows a short time for the transference of the mails. This will permit of the bulk of the mails carried on the Delhi-Karachi service being forwarded in such circumstances. Arrangements have also been made to provide night landing facilities at Hyderabad, which will enable a certain amount of lost time to be recovered by night flying.

**Mr. F. E. James:** I understand that the French Air Union made a very generous and courteous offer to carry the mails left behind free as far as Paris. Would the Honourable Member be pleased to explain why it was not possible to take advantage of that offer?

**The Honourable Sir Frank Noyce:** The reason was that, in order to do so, instructions had to be obtained from Delhi and it unfortunately proved impossible to obtain them in the short time available.

**Mr. E. S. Millar:** Would the Honourable Member consider giving instructions or authority to the Postmaster in Karachi to use his discretion in such matters?

**The Honourable Sir Frank Noyce:** That is under consideration.

**Mr. E. S. Millar:** I notice from the Honourable Member's reply that the mails for London would be enclosed in special bags. What about mails to South Africa to which no reference was made and which has got to connect with the service from Galilee to Cairo, and if the mails are not all sorted here, then the South African mail would lose a week.

**The Honourable Sir Frank Noyce:** I do not think it is possible to provide for all eventualities. I imagine that by far the greater part of the Air Mail which leaves Karachi is for London. We can provide for that, but I am afraid it would be difficult to provide for all the intermediate stages.

### ELECTION OF THE DEPUTY PRESIDENT.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I have to announce in accordance with Standing Order 5 (3) of the Legislative Assembly Standing Orders that I have received by 12 Noon on Saturday, 20 notices in all nominating the following seven candidates for election to the office of the Deputy President, namely:

1. Mr. N. R. Gunjal,
2. Mr. Abdul Matin Chaudhury,
3. Rao Bahadur M. C. Rajah,
4. Sardar Sant Singh,
5. Mr. Muhammad Yamin Khan,
6. Mr. S. G. Jog, and
7. Sir Abdulla-al-Māmūn Subrawardy.

The names of the proposers and seconders are as follows:

*For Mr. N. R. Gunjal:*

*Proposer:*

Rai Bahadur Sukhraj Roy.

*Secunder:*

Bhai Parma Nand.

*For Mr. Abdul Matin Chaudhury:*

*Proposers:*

1. Mr. M. Maswood Ahmad,
2. Mr. T. R. Phookun,
3. Mr. D. K. Lahiri Chaudhury, and
4. Mr. B. Das.

*Seconders:*

1. Mr. Uppi Saheb Bahadur,
2. Mr. H. P. Mody,
3. Mr. N. M. Dumasia, and
4. Bhai Parma Nand.

*For Rao Bahadur M. C. Rajah:*

*Proposers:*

1. Mr. C. C. Biswas,
2. Mr. Badri Lal Rastogi,
3. Rao Bahadur S. R. Pandit,
4. Raja Bahadur G. Krishnamachariar,
5. Sirdar Harbans Singh Brar,
6. Mr. B. Rajaram Pandian, and
7. Mr. B. V. Jadhav.

*Seconders:*

1. Lala Hari Raj Swarup,
2. Mr. Amar Nath Dutt,
3. Mr. Nabakumar Sing Dudhoria,
4. Mr. R. S. Sarma,
5. Mr. B. N. Misra,
6. Mr. K. P. Thampan, and
7. Lala Rameshwar Prasad Bagla

*For Sardar Sant Singh:*

*Proposers:*

1. Mr. Gaya Prasad Singh, and
2. Mr. S. G. Jog.

*Seconders:*

1. Diwan Bahadur Harbilas Sarda, and
2. Mr. S. C. Sen.

*For Mr. Muhammad Yamin Khan:*

*Proposers:*

1. Kunwar Hajee Ismail Ali Khan,
2. Sardar Bahadur Sardar Jawahar Singh, and
3. Mr. J. Ramsay Scott.

*Seconders:*

1. Kunwar Raghubir Singh,
2. Captain Sher Muhammad Khan Gakhar, and
3. Sir Muhammad Yakub.

For Mr. S. G. Jog:

*Proposers:*

Pandit Ramkrishna Jha.

*Seconder:*

Pandit Satyendra Nath Sen.

For Sir Abdulla-al-Māmūn Suhrawardy:

*Proposers:*

1. Mr. A. H. Ghuznavi, and
2. Khan Bahadur H. M. Wilayatullah.

*Seconders:*

1. Mr. Muhammad Anwar-ul-Azim, and
2. Mr. B. V. Jadhav.

As there are more candidates than one, the ballot for this election will be announced by me to the House last Tuesday, be held tomorrow.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadian Urban): On a point of order. When only one Member can be elected, is it permissible for a candidate to propose or second some other candidate, and is it permissible for one Honourable Member to propose or second more than one candidate?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty). Do I understand the Honourable Member to ask whether such a nomination paper is valid? There is nothing in the rules with regard to this particular point, but if some Honourable Member wishes to nominate two Honourable Members with a view to giving each of them a sporting chance, the Chair would not have any objection. (Laughter.)

## STATEMENTS LAID ON THE TABLE.

**The Honourable Sir Harry Haig** (Home Member): Sir, I lay on the table the information promised in reply to starred question No. 329 asked by Mr. S. C. Mitra on the 20th February, 1933.

## CASUALTIES IN EACH PROVINCE INCURRED BY THE MILITARY.

\*329.

Statement showing the number of casualties among the military as a result of civil disturbances during the years 1931 and 1932.

| Province.                              | Among the military.               |          |
|----------------------------------------|-----------------------------------|----------|
|                                        | Killed.                           | Wounded. |
|                                        | 1931.                             |          |
| Bombay . . . . .                       | ..                                | 7        |
| Punjab . . . . .                       | 1                                 | 6        |
| North-West Frontier Province . . . . . | 5                                 | 25       |
| Burma . . . . .                        | 3 including 2 who died of wounds. | 16       |
|                                        | 1932.                             |          |
| Bengal . . . . .                       | 1                                 | ..       |
| North-West Frontier Province . . . . . | 3                                 | 9        |

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to starred question No. 366, asked by Seth Haji Abdoola Haroon on the 20th February, 1933.

## INADEQUATE REPRESENTATION OF MUSLIMS IN THE POSTAL DEPARTMENT, BENARES CITY.

\* 366. The reply to the first part of the question is in the affirmative and to the second in the negative.

**Sir Thomas Ryan** (Director General of Posts and Telegraphs): Sir, I lay on the table the information promised in reply to unstarred question No. 57 asked by Mr. M. Maswood Ahmad on the 2nd March, 1933.

## NON-CLEARANCE OF A LETTER BOX AT JULLUNDUR.

57.

- |     |      |                                                                                |
|-----|------|--------------------------------------------------------------------------------|
| (a) | No.  |                                                                                |
| (b) | No.  |                                                                                |
| (c) | Yes. |                                                                                |
| (d) |      | } Do not arise in view of what is stated in reply to part (a) of the question. |
| (e) |      |                                                                                |
| (f) |      |                                                                                |
|     |      |                                                                                |



## ELECTION OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

**The Honourable Sir Joseph Bhore** (Member for Commerce and Railways): I move:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, 11 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): I do not want to initiate a debate on this question, but I should like to make one observation. We had some discussion on the Standing Finance Committee and whatever was said on that occasion may be supposed to be repeated on this occasion. I like to mention only one additional thing. This Standing Committee was created under the Convention of 1924 and this Committee is expected to scrutinise all the details of the expenditure at a greater length than the Assembly could possibly do. We expect that all the items in the Budget including the items provided in the pink book ought to be scrutinised and that opportunity ought to be provided by the Government to the members of this committee to scrutinise these things. Those of us who are not members of the Railway Finance Committee expect that in the proceedings of that Committee the Government could give greater details which could not possibly be given in the list of demands presented to us on the occasion of the Budget, but unfortunately the proceedings come to us in a much more scrappy form than the list of demands and, therefore, I want to impress the necessity that greater details may be given in future which we cannot get by reading the speeches of the Financial Commissioner or the Member for Railways. This is all I have to say.

**The Honourable Sir Joseph Bhore**: Sir, I have no doubt that the Standing Finance Committee which will be elected by this House will read, mark, learn and inwardly digest the remarks contained in the speech made by my Honourable friend, Dr. Ziauddin Ahmad. So far as his suggestions go in regard to the detail in which proceedings are to be reported, I have already on another occasion given him the assurance that the suggestions made by this House will be most carefully considered and complied with as far as possible.

The motion was adopted.

## ELECTION OF THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

**The Honourable Sir Joseph Bhore** (Member for Commerce and Railways): Sir, I 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."

The motion was adopted.

( 2236 )

## ELECTION OF THE STANDING COMMITTEE ON ROADS.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): Sir, I move:

"That this Assembly do proceed to the election for the financial year 1933-34, 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.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I may inform Honourable Members that nominations for the purpose of election of Members to the Standing Finance Committee for Railways, the Central Advisory Council for Railways and the Standing Committee on Roads will be received in the Assembly Office upto 12 Noon on Wednesday, the 22nd March, 1933. The elections, if necessary, for the Standing Finance Committee for Railways and the Standing Committee on Roads will take place in this Chamber on Monday, the 27th March, while the election for the Central Advisory Council for Railways will be held on Wednesday, the 29th March, 1933. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

## ELECTION OF THE STANDING FINANCE COMMITTEE AND THE PUBLIC ACCOUNTS COMMITTEE.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Members will now proceed to elect members not exceeding fourteen in number to the Standing Finance Committee and four Members to the Committee on Public Accounts. There are 21 candidates for the former Committee and nine for the latter. Ballot papers for both the Committees will now be distributed to Honourable Members in the order in which the Secretary will call them.

Honourable Members will observe from the List of Business that only Non-Official Members can take part in the election for the Committee on Public Accounts.

(The Ballot was then taken.)

## THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

**The Honourable Sir George Schuster** (Finance Member): Sir, I beg to move for leave to introduce a Bill further to extend the operation of the Salt (Additional Import duty) Act, 1931.

( 2237 )

c

[Sir George Schuster.]

In laying proposals before the House in their present form, Government are merely seeking to give effect to the views of the Committee appointed by this Assembly to deal with this matter. The justification for the present proposals is fully explained in the third report of the Salt Industry Committee of the Legislative Assembly which is in the hands of all Honourable Members. I do not, therefore, propose to give any further explanations or arguments at the present stage.

Sir, I move:

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That leave be granted to introduce a Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931."

The motion was adopted.

**The Honourable Sir George Schuster:** Sir, I introduce the Bill.

#### THE COTTON TEXTILE INDUSTRY PROTECTION (AMENDMENT) BILL.

**The Honourable Sir Joseph Bhore** (Member for Commerce and Railways): Sir, I move:

"That the Bill to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration."

The House will remember that the protection granted to the Indian cotton textile industry will expire at the end of the current month unless it is further extended. In this Bill Government are asking this House to sanction the extension of the protection afforded by that measure until the 31st October, 1933, in circumstances which I will endeavour to explain. Government had hoped that it would have been possible for them to complete their study of the Tariff Board's report, to come to considered conclusions and to place these before the House during the current Session. Unfortunately, Sir, those hopes have not been realised. We have literally found it impossible in the limited time at our disposal and in view of the many urgent and insistent demands upon that time to complete our examination of a report which deals with many problems, some of them of an exceedingly complex nature, and raises issues which are of the greatest importance to the industry and to the public generally. In those circumstances, Sir, I have no option but to come to the House and to ask for an extension of the protection afforded by the existing Act until it is possible for a final decision to be taken by this House. I am, therefore, asking that the protection should be extended until the end of October, when it is hoped the House will be in a position to record a final decision on the future of the cotton textile protective duties. Sir, I am avoiding all reference to any question of principle or policy at this stage. I venture to submit that the question of policy or principle does not arise now. It will arise when the whole question of the future protection to this industry is placed before this House. I hope during the next Simla Session. At the

moment, Sir, all we are concerned with is the maintenance of the *status quo* in respect of the principle of granting protection to the industry until such time as this House is in a position to record a considered and final verdict. That, Sir, is the strictly limited scope of the measure which I am now placing before this House.

Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That the Bill to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration."

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Sir, if Honourable Members find me today in strange company and also find me in a somewhat strange bed with Mr. Mody, they will appreciate the situation, because India is facing today a national calamity from Japan. I was expecting to hear from my Honourable friend, Sir Joseph Bhore, a little detail and a little more minute examination of the serious charges that my Honourable friend, Sir Frank Noyce, laid against the Bombay millowners and whose compassionate recommendations for the Bombay millowners secured them protection in 1930. I do not ask my friend, Sir Joseph Bhore, to discuss principles or policies or the complicated nature of the recommendations that he has received from the Tariff Board. Yet I would have expected him to tell us how, since my Honourable friend, Sir Frank Noyce, made those grave accusations of mismanagement against the Bombay millowners, the Bombay people have improved their management to get better efficiency into their concerns.

There were three important points that my Honourable friend, Sir Frank Noyce, made. One was the charge of inefficiency; the other was the greed of the managing agents. Their greed manifested itself in taking, buying and selling commission without charging managing agency commission on the profits as is common in all joint stock companies. (Interruption.) I will elucidate the point a little further. When any managing agents promote a company, for instance, the Tata Steel Corporation, they charge ten per cent. of the net profit for their work for that concern. But not, so with these Bombay millowners. I will make it clear that I have nothing to say about the management of my Honourable friend, Sir Cowasji Jehangir's mills and I know that my friend is a model millowner whose workers are satisfied with him. But I am talking of the average millowners, and the charges against them are of common knowledge and were admirably pointed out by my Honourable friend, Sir Frank Noyce in the report of the Tariff Board. The Bombay managing agent buys cotton and charges a certain percentage of commission, sells cloth and charges a certain percentage of commission without caring as to whether the shareholders will get any profit at all. And that is the main reason why the Bombay mills were running at a loss while the Ahmedabad mills, the Delhi mills and the Calcutta mills were running at a profit. Even today I know the Delhi mills and the Cawnpore mills are running at a profit and the woes of Bombay will be revealed to us in June or July, next when the report will be published. But today, as I said, I am lying in the same strange bed with Mr. Mody, because of Japan.

Sir, when in 1932, the Tariff Board submitted their report, they did not review that aspect of the question. At that time we were feeling, why Japan, having a legitimate market in India, should be shut out altogether.

[Mr. B. Das.]

But today Japan, by her greed and, chiefly, by her imperialistic policy, has become a menace to China. The Japanese want to encroach upon our industrial policy, they want to spoil the Indian market, and Japan has already purchased cotton mills in Bombay. It is quite possible that she may capture the Indian industries, and who can say that she will not hereafter get all the mills into her hands and start working them. I do not know whether the new Constitution will give us some power. If we get some sort of freedom, there will be, let me hope, no fear of any menace from Japan. So I support this temporary relief to the Indian industry in anticipation that Government will take every step to put high tariff on all Japanese goods, not only for the preservation of the Indian industry and Indian commerce, but also for the preservation of Indian civilization, of Indian culture and Indian entity, so that we may not have an imperialistic menace from Japan. But, Sir, when my Honourable friend replies to the debate, I hope he will tell us, as his predecessor, Sir George Rainy, took this House into confidence, when we asked him to take us,—whether the Tata Iron and Steel Company were taking steps to reduce their overhead cost of administration and whether they were also Indianising the Tata Steel Company,—and my Honourable friend, Sir Joseph Bhore, should take that precedent from his predecessor, Sir George Rainy, and tell us—whether the Commerce Department exercised certain pressure on the Bombay mill agents and whether they got from them annual returns year by year as to the steps they do take in order to avoid those grave charges that were laid against them and whether they have rationalised their management. With these few remarks, Sir, I support the Bill.

**Mr. B. Sitaramaraju** (Ganjam cum Vizagapatam: Non-Muhammadian Rural): Sir, this Bill provides to continue for a further period the protection given to the Indian textile industry under the Bill of 1930. From the Statement of Objects and Reasons of the Bill of 1930, it is clear that the protection afforded to the textile industry was given under conditions other than those under which the Government subsequently gave protection of another 30 per cent. by executive action last year in addition to the protection of 20 per cent. under the Act of 1930. Sir, by the 1930 Bill, protection was given to the Indian textile industry on the ground that—in the words of Sir George Rainy:

“ Though the industry is one of the oldest organized industries in India, since the War its internal organization has not been re-adjusted to an extent sufficient to enable it to meet severe competition from other countries where reorganization has already taken place. The condition of the industry is in fact very much the same as that contemplated by the Fiscal Commission at page 100 of their Report.”

Therefore, Sir, when the 1930 Bill was brought into this House, the condition of the Bombay and other mill industry was very much the same as it was when the Indian Fiscal Commission had reported. While other countries had re-organized themselves, we found that the cotton textile industry in this country did not re-organize itself to meet the foreign competition. Thus, in the words of Sir George Rainy:

“ External competition ‘ was ’ most severe in the class of plain grey goods which form a high proportion of the output of the Indian mills and particularly of those situated in Bombay Island. In these circumstances emergency measures are called for in order to give the industry temporary shelter and time to reorganize itself.”

# THE COTTON TEXTILE INDUSTRY PROTECTION (AMENDMENT) BILL. 2241

That was the main object of the 1930 Bill. Further, it is proposed, it was stated in the Statement of Objects and Reasons, that the protection “ should remain in force only for a period reasonably sufficient to enable the industry to re-organize itself. For this reason the Bill fixes 31st March, 1933, as the limit of the period within which the duties will operate ”.

Now, Sir, this present Bill is to extend that period further up to the 31st October, 1933. We are, therefore, entitled to ask what was done with regard to the reorganization of the industry contemplated under the 1930 Bill? If it was completed, no protection is necessary on that ground; and if it was not, why it was not. Further, I would like to discuss this question from two aspects. Firstly, is the percentage of protection which was given in the 1930 Bill for the purpose of enabling the textile industry to reorganize itself to meet foreign competition and, secondly, the percentage given by executive action subsequently to meet the deplorable condition in which the Indian industry was placed, on account of the depreciation of the yen. I wish to treat these as two separate aspects.

Now, with regard to the first, i.e., how far the industry, during the period allotted to it for reorganizing itself, has reorganized itself? We are entitled to ask that information from the Government. Honourable Members may be aware of the reply given by the Honourable Sir Joseph Bhore to a supplementary question put by me the other day. On that occasion the Honourable the Commerce Member said that he could not be drawn in to disclose the second report which was written by the Tariff Board on this subject. Sir, the Tariff Board has gone into the question and has submitted its report as regards the internal organisation of the industry and that report is actually in the hands of the Government, but we are not taken into confidence and acquainted with the result of the enquiry on this point. We do not know exactly what that report says; we do not know whether there is any justification from the point of view whether the reorganization of the industry has or has not been effected and that protection is or is not necessary on that account. I do not for a moment want to confuse that question with the depreciation of exchange, which I shall deal with a little later. With regard to the first, we are entitled to ask that question, since on the need for reorganisation the temporary shelter of 20 per cent. protection is given. Even though the Report is in the hands of the Government, as the Government have not given us that Report and told us why that protection, which was afforded to this industry just to meet foreign competition with other countries who have organized themselves, is still found necessary to give them, we are entitled to draw an adverse conclusion against them.

Before I refer to the second aspect regarding protection given to meet depreciated exchange, I would like to offer a remark about the labour condition to which reference was made in connection with the protection given under the 1930 Bill. If Honourable Members are pleased to look at the Statement of Objects and Reasons of the Bill of 1930, in regard to the reference to the conditions of labour in China, they will find it is stated as follows:

“ Until January of this year, Chinese law placed no limit on the hours of work either of men or women, and no restriction on the employment of children. Information has very recently been received that on the 16th January, 1930, a law was promulgated in China which prohibits child labour and the night work of women, and limits the hours of work generally, but no evidence is forthcoming to show that any steps have been taken to make this law effective.”

[Mr. B. Sitaramaraju.]

When Sir George Rainy presented this Bill in 1930 and referred to the conditions of labour in China, he did not say that the Chinese Government had not satisfied the labour conditions required: but said that, at the time he presented the Bill, information whether the law to regulate labour had been given effect to or not was not forthcoming to him. Now, the same thing is repeated more or less in the present Bill. Since 1930, three years have elapsed and we are entitled to ask whether the conditions of labour which were said to have been rectified by the Chinese Government have really been rectified and, whether, after these three years, the Government of India have placed themselves in a position to know whether such a thing has been given effect to or not. A mere repetition of the statement under these circumstances without stating that the information which they received was wrong and that the Chinese Government have persisted in keeping their labour in a condition which required some measure of protection on our part, I am entitled to draw the inference that the Government of India have not obtained that information or that the complaint is not real. That is one aspect of the question.

The other question is the one relating to the depreciation of the yen. Honourable Members are again aware that when the yen was depreciating, the matter was referred by the Government of India to the Tariff Board and after that by executive action gave protection to the cotton mill industry to the extent of 30 per cent. over the 20 per cent. already enjoyed by the industry. We have the Report of the Tariff Board on the point of depreciated yen. But we never had an opportunity of discussing this Report, because as I have already stated, whatever action was taken by the Government of India was taken by executive order although the Assembly was sitting in Simla. This the report says: Firstly the Tariff Board complained that the scope of inquiry which the Tariff Board was asked to make was very much limited in character: they were merely asked to take up the question of how the industry was affected by the depreciation of the currency alone. They state:

"But there are several other causes besides those relating to exchange movements which, since the Cotton Textile Industry (Protection) Act was passed in 1930, have helped to depress the prices of imported cotton piece-goods. One of the most important is the world wide economic depression which commenced in the latter part of 1929 and has had the effect of curtailing to a large extent the purchasing power of the average consumer. The effect of a fall in prices which occurs in consequence of a general decline in the demand for commodities is not merely difficult to assess, but requires other remedies than additional duties. . . . . Another cause which has apparently contributed to the fall in prices is improvement in methods of manufacture which has taken place, especially in Japan, and the consequent reduction in costs. This again is a question which cannot be dealt with except in a fuller and more detailed inquiry. Moreover it involves the consideration that a fall in the prices of imported goods due to reduction in costs must in a tariff inquiry be necessarily set off against similar economies which have been effected or may be regarded as reasonably possible in the costs of the Indian industry. The reduction in the costs of manufacture of the Indian industry is one of the subjects which is being examined in the regular inquiry now in progress and our conclusions must, therefore, await the results of that investigation. Severe competition between rival exporting countries in a period of acute trade depression and the consequent tendency in many cases to reduce prices to an uneconomic level have naturally contributed to the fall in prices. . . . . For these reasons we propose to consider in this inquiry mainly that part of the fall in the prices of imported piece-goods which may be shown to have resulted from exchange depreciation".

They state further on in page 7:

"The benefit of a low exchange is essentially of a temporary character and is confined to a period of depreciating rather than depreciated exchange. In other words, it is the lag between the fall in the external value of the currency and its internal value which constitutes the advantage of a low exchange to an exporting country."

Now, may I ask, is the yen still depreciating or has depreciated and come to a certain level? If it is a question of depreciating exchange, there is no doubt that protection is necessary, but if it is a case of a depreciated yen, prices would have adjusted themselves to those conditions and, therefore, the question of protection could not arise in that manner. We are entitled to ask, is the yen still depreciating or has it stopped? I find that the present condition of the exchange is not so bad as it was last year and that prices have adjusted themselves. However that may be, I am coming to one recommendation of the Tariff Board which will be found at page 14 of the Tariff Board Report. Here assume for the moment that it is not a case of depreciated exchange, but a depreciating exchange. The Tariff Board suggest a remedy, which is very much like the one suggested the other day by Dr. Ziauddin Ahmad. In paragraph 16, they state as follows:

"We would suggest, therefore, that Government should immediately examine the possibility of using their powers under section 3 (2) of the Tariff Act in the case of piece-goods imported from a country with a depreciated exchange, to raise the value of the goods for Customs purposes in such proportion as to secure the continuance of the protection intended for the Indian industry. We believe that as a means of meeting the present emergency such a method will be found to be more adaptable and less liable to cause general dislocation. It will also help to safeguard the interest of the consumers."

Sir, that was the recommendation of the Tariff Board in the interest of consumers. Then they stated further that if this recommendation was not accepted, the other alternative was that you should increase the duty to 50 per cent. The Government of India have given effect to this later recommendation by executive action. Honourable Members will bear in mind that the suggestion contained in paragraph 16 was primarily in the interests of the consumers and in the interests of the trade itself, because, as they stated, that alternative would save the country from general dislocation. They then go on to say how it should be calculated and they give a formula for that purpose also. When the Government of India did not accept this recommendation but took the other alternative, we are entitled to ask why they did that and not take the action which is said to be beneficial to consumers? It is an irresponsible suggestion from me, but it is a recommendation made by the Tariff Board itself. That, at any rate, to our lay minds appears to be one calculated to promote and serve the interests of the consumers and the trade better. Why has it not been done? There is again the other question, the question of action against Japan. We know, the principal offenders in our present difficulties in the cotton textile industry are the Japanese. But there is the Anglo-Japanese Convention. That Convention would not permit any discrimination against Japan alone. Therefore, we have got two alternatives, either we should repudiate that Convention or we should declare an economic war against the whole lot of foreign countries. That is one of two things we have to do. In case we denounce the Convention, we must necessarily give them 12 months' notice. In a matter of this kind, which calls for urgent action, it is not possible, if yen is still depreciating, nor do I think it reasonable to

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suggest that we should give 12 months' notice now and wait and see what will be the effect. If the depreciating exchange is working very hard on the industry, then we cannot afford to wait for 12 months. As regards the other alternative, and that is to impose duties upon all countries, one would consider that a somewhat serious matter indeed. I say serious, because, by our policy of pursuing an economic war, we have not been hitting one country, but we have been hitting several other countries, we have hit Japan, we have hit Germany, we have hit Belgium, and we have hit America. All this we have done merely to protect a few industrialists. I would ask the Government one question, and it is this. Do they consider that this economic warfare by which they propose to levy duties against the whole world is conducive to the restoration of goodwill which is expected to be followed by improvement of the trade? The other day the Honourable Sir George Schuster justified the gold export and said that our country was helping other countries to regain their purchasing power and thus helping the economic restoration of the world. Does he or the Commerce Member believe that the high tariff walls which they have been imposing in pursuance of their policy of economic war which they have declared at the dictation of a few war lords of Bombay and other places, will be conducive to the interests of this country and help, as has been fondly hoped by Sir George Schuster, to the restoration of the purchasing power of the people and the economic re-construction of the world? There is one thing which I am bound to take notice of, and that is a matter relating to the raw producers in this country. I know the Commerce Member at the very outset said that in a matter like this it was not necessary for us or it was not open to us to go into the question of policy or principles, but I cannot agree. There is one question that I am very much tempted to ask at this stage, and that is, why is it that the Government always are so solicitous to take into consideration the conditions of producers of manufactured goods in this country and bestow very little attention to the condition of the producers of raw products . . . .

**The Honourable Sir Joseph Bhoré:** Has my friend read the Wheat Import Duty Act?

**Mr. B. Sitaramaraju:** Yes, Sir, I have read it, and I shall deal with it, but if that is all that the Government are going to do for the raw producers, I am afraid I must still say that Government have not paid sufficient attention to the interests of the raw producers. The producers of raw materials in this country are far more important than . . . .

**An Honourable Member:** Less influential.

**Mr. B. Sitaramaraju:** I understand my friend's point; they are less influential in Government circles, that is the trouble; but they are the most important people in the country, for this reason. We are an agricultural country, and the raw producers are by far the most important as they form the bulk of the nation. The wealth of the nation can be secured either by an industrial process in mills or by the production of raw materials. In a country which is predominantly agricultural, the production of raw material should be considered to be the primary industry

of the country. I would like to ask what have the Government done to better the lot of raw producers of this country? I do not like to go into the whole range of raw producers, but I will confine myself to the question of raw producers of cotton alone, for the purpose of this debate. From the figures I gathered it would appear that during the three years 1929-30 to 1931-32 the condition of export and import trade of raw cotton would show that, so far as imports are concerned, we are importing much more than we used to do, and we are exporting much less than we used to do. Imports in 1929-30 are 34 lakhs and odd and for 1930-31 63 lakhs and odd, and for 1931-32 70 lakhs and odd.

Then, with regard to exports, there were 65 crores, 46 crores and 23 crores, respectively. That is so far as their value is concerned. But now it may be said that it is not right to take into consideration the values in these days of depression. I have also got figures about the quantities, and they are as follows:

| Exports.                              | 1929-30.   | 1930-31. | 1931-32. |
|---------------------------------------|------------|----------|----------|
|                                       | (In tons.) |          |          |
| Total for foreign countries . . . . . | 677,000    | 640,000  | 392,000  |
| Total for British Empire . . . . .    | 49,000     | 51,000   | 30,786   |
| Imports . . . . .                     | 4,002      | 32,374   | 44,370   |
| Total for British Empire . . . . .    | 19,978     | 26,000   | 34,944   |

Thus, if you take into consideration not only the values, but also the weights, you will find that we have been importing more of raw cotton into the country and exporting less of it to foreign countries. In this connection I would like to draw your attention to the fact that we have the Empire Marketing Board. I would like to ask, since it is the duty of the Empire Marketing Board to find marketing facilities for our raw produce and other things, whether the Government have moved in the matter. I remember that my Honourable friend, Sir George Schuster, two years ago referred to Sir Arthur Salter's report in his Budget Speech. What action has been taken on that?

**Mr. B. Das:** Why not abolish all the Trade Commissioners and the High Commissioner?

**Mr. B. Sitaramaraju:** Then, again, if you take the figures of exports to Japan, it would appear that she has been retaliating against us to some extent. The Indian exports to Japan for the two years I have referred to fell from 322 millions to 237 millions, and it has now fallen to 139 millions. That shows that we are alienating these countries, which are undoubtedly retaliating and the raw producer of the country is hurt thereby. And Japan, as my Honourable friend, Sir Cowasji Jehangir, points out, and I have referred to it some time back, has adopted retaliatory methods against us in the matter of iron exports also which are manufactured

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articles. All this would show that the other countries are retaliating against us. If there is no retaliation, then why does not Japan take as much goods as she used to do before?

Then, one question I want to ask is this. Why are the industries of our own country not utilising the raw produce of the country, and why are they taking foreign cotton so much? To them evidently, we should be patriotic enough to see that every possible protection is accorded to them, but as for themselves patriotism is only an appeal to the pocket. These industries have been taking foreign materials purely because it was cheap. But an argument is brought forward that the indigenous material is not of a quality which is useful for the purpose. But an examination of the variety of cotton that is available in this country and also of the various grades of cotton that are imported into this country from the United States of America would show that there are several grades of imported American cotton which are of a kind available in this country. If the millowners of this country ask us, the consumers, the raw producers of the country, to be patriotic, may I not appeal to the very patriotism of these gentlemen and say, consume a little more of our cotton?

I would now like to conclude with only one remark. This protection which is now to be given to the mill industry should be put in two categories as I have said. One is the protection necessary in order to give the temporary protection for conditions contemplated in the Bill of 1930, and the other is the protection necessary to meet the depreciating currency, because, if it is a depreciated currency, as I have already said, the question does not arise, but if it is a depreciating currency, the question does arise. I want to know why the Government have not taken us into their confidence with regard to the report as regards the internal organisation of the industry, whether the currency is depreciating or it has depreciated and come to a level now, and whether the prices have adjusted themselves. I should like to have an answer on all these points before I can finally say whether I can accept this recommendation at all. With these few remarks, I resume my seat.

**Mr. Muhammad Muazzam Sahib Bahadur** (North Mardas: Muhammadan): Sir, in the course of the speech which my Honourable friend, Mr. Raju has made, it appeared to me that he was travelling far beyond the scope of the measure which is placed before us. (*An Honourable Member*: "Hear, hear.") Protection to any indigenous industry is always temporary. Nobody can controvert that fact. The question whether the cotton textile industry has organised itself during the period of three years granted to it by the Cotton Textile Industry (Protection) Act of 1930—whether it has achieved it to any appreciable extent is a matter which has been remitted to the Tariff Board and the latter have submitted their report to the Government. As a matter of fact, the whole question is under examination, and what we are called upon now to vote for or against is only an extension of the provisions of that Act to a further period of seven months. That being so, I do not think that considerations of the kind referred to by my Honourable friend would be in point unless the Tariff Board themselves were altogether against the continuance of the duty, which I submit they are not.

My Honourable friend was dealing at very great length with the distinction between a depreciated exchange and a depreciating exchange. Speaking of present day conditions, I think that the currency of Japan has been depreciating and it cannot be said that the limit of depreciation has been reached. It may be that it still further depreciates, or it may appreciate, but taking the conditions as they are, and taking account of the fact that there is a world wide economic depression which still persists and the mills of Japan have adopted improved methods by which they can produce their goods at far lower prices than we can possibly do in this country, it seems to me that any consideration of the issues raised by the Tariff Board in their enquiry is absolutely foreign to our debate at this stage. All these things can come in when the Government of India introduce their Bill at the Simla Session when we shall have every opportunity of discussing these things paragraph by paragraph of the Indian Tariff Board report. One thing I should like to say with regard to the suggestion made by the Tariff Board at paragraph 16. My Honourable friend said when the Tariff Board have suggested two ways in the matter of giving protection to the indigenous mill industry, why do you resort to the worse of the two, and why don't you choose the better one. And that better one is dealt with in paragraph 16 of the Tariff Board's report. I need not have gone into all these points but for the fact that my friend tried to make a point of it. What is suggested in plain words there is, that, instead of altering the tariff rate from time to time, the proper course will be to estimate the value of the imported goods at a variable figure, namely, at the landed cost multiplied by a certain figure suggested by the Tariff Board in proportion to the currency of Japan or of any other country and it is suggested in the report of the Tariff Board that this will safeguard the interests of the consumers. With regard to that statement, I think it will have absolutely no effect on the consumers. It may be that trade is to some extent dislocated by an alteration of the tariff rate, but the dislocation will be absolutely negligible. Instead of paying Rs. 100 on certain goods imported into this country from Japan, under higher tariff rates, we are called upon to pay more when we take delivery of the goods from the customs offices, but if the value of the goods, for the purposes of duty is raised, then what happens is that we have to pay very much the same amount, although by an altogether different method of calculation. It seems to me that instead of saying that 3 multiplied by 4 makes 12, you say 4 multiplied by 3 makes 12, which comes to the very same thing, and I cannot see for myself how we can thereby benefit the consumer. I support the motion of my Honourable friend, Sir Joseph Bhore.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Mr. President. I feel it my duty to raise a voice of protest on behalf of the consumers of Bengal even for an extension of seven months of a protective duty without giving any reasons whatsoever why it should be continued. My main complaint will be against Government. They cannot say that they had no notice that this Act will expire on the 31st March, 1933. When they knew that full well, why did they not start the Tariff Board inquiry in time? There are complex questions involved in this issue and why did they not come before this House with proper explanations? In spite of this, I expected that the Honourable the Commerce Member will give us some review of the state of affairs that have happened with regard to these mills during the last three years and the position that they now occupy so far as protection is concerned.



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LEGISLATIVE ASSEMBLY.

[20TH MAR. 1933.]

[Mr. S. C. Mitra.]

I must say at the very outset that I am a believer in free trade, though I fully accept the weight of argument in favour of nascent industries and also the case of discriminating protection as it obtains in this country, at present. I think we must be told how long these textile industries are now getting the benefit of protection. We should also further like to know what is the percentage of dividends declared in Bombay, Ahmedabad or in the mills of Northern India. Are they all in the same plight? Have they accepted the recommendations of the Tariff Committee that advised that, without proper reorganisation and orientation of these industries, there is no chance for them to live long in face of acute competition of the future. We must further know whether these industries can tell us when they will require protection no more.

If the Government think that a period of seven months is nothing to them, they must also remember that these are the hardest months for the poor agriculturists, that the purchasing power of the people has gone very low. The cotton textile industry produces one of the necessities of life. After food, clothing is the most essential necessity for man. It is a recognised principle that Government should take no steps that will increase the cost of production to the poor of their necessities of life. Before Government ask this House for any extension of this protective duty, they must convince the House that there is a good case for it. Coming from Bengal, I particularly feel that on every question it is from Bombay or from Northern India, that the cost of necessities are being increased from day to day, while the price of jute, grain and such other articles are going down, by not 50 or 60 per cent., but by 100 and 200 per cent. In this view, I think this matter should not be lightly taken up, and before the House puts its seal on this proposal, it must demand from the Government or from the industries an explanation as to how long they will tax the consumers in this way. It is usual to have the report of the Tariff Board. We do not know anything about the Tariff Board's report, but my friend, Mr. Muazzam Sahib, anticipates that the report will be in favour of protection. I cannot anticipate what may be in the report, but I hear that already there is some appreciation of the shares of the textile mills in Bombay. Perhaps they have also anticipated its report. We in this House accept the Tariff Board's report on facts and conclusions and not on the ground that it is composed of experts.

**Mr. B. Das:** Lay experts.

**Mr. S. C. Mitra:** My friend says "lay experts". I have my own doubts as to the qualifications of these experts to sit in judgment on the details of any industry that may be referred to them. I should have understood it, if for every new industry they chose a different set of people, but here we find the same body of men making recommendations about hundred different subjects. What I feel is that when a report is produced, Government seem as if they are bound to accept most of its conclusions. The other day I raised my voice in this House on behalf of the consumers. We also claim that our side of the question must be discussed and appreciated by Government before they come to any decisions which are unalterable as the result of any suggestions in this House.

Now, the protection has now been enjoyed by the Bombay industry, I think, at the same rate which has been occasionally increased for more than six years at least, and if Government have not been able to come to any conclusions, then let there be no duty for the time being and let the consumer get things at the cheapest rates, at least for some time. If, thereafter, there is great pressure, then let the Government come up at an earlier date with their recommendations. Sir, I am not very much afraid—like my friend, Mr. B. Das—of the bogey of Japanese dumping. My friend, Mr. Raju, has dealt with that point and shown that even in the last Tariff Board that matter was taken into consideration, and, if it is necessary, let them deal with the question of dumping if that is completely established. But I do not see any ground why, before the Government have consulted this House or before they themselves have come to any conclusions, we should be asked point blank to extend the same rate of protection for another seven months, on the mere ground that it existed for six years before. On these grounds, Sir, I oppose the motion for consideration, unless either the Government or the Bombay millowners can make a better case and can show better grounds for their claim that we should support such a motion.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): Sir, I fear I cannot claim to have made a study of this question with the same thoroughness as some of my friends appear to have done. All the same, Sir, there are certain general considerations to which one cannot shut one's eyes. As more than one speaker have already pointed out, Bombay seems to be the special favourite of the Government. Probably the Punjab comes next in order; and it is rather curious that this affection for Bombay which was hitherto confined to my Honourable friends sitting on the Treasury Benches is spreading also to some of my friends on this side.

My friend, Mr. B. Das, just announced that he was anxious to make Mr. Mody his bed-fellow for the next six or seven months. (Laughter.) Sir, what the upshot of that will be I do not pretend to anticipate. Sir, Mr. B. Das seems to have been swept off his feet more by his antipathy for Japan than by a regard for what the true national interests of India demand. I am sure, he will admit that if it were not for this bogey of Japanese dumping, he could not have lent his support to this Bill.

**Mr. B. Das:** I might not have. (Laughter.)

**Mr. C. C. Biswas:** I am glad to hear my friend saying, "I might not". In fact, then, he would be really going back upon his own principles.

**Mr. B. Das:** The Japanese industry is a great menace to this country.

**Mr. C. C. Biswas:** Sir, what I fail to discover is this. No doubt the Bombay mill industry is in a very bad way just at the present moment. It has been like that for some months past. But the question is, what has brought that about? To what extent is the industry itself responsible for the condition to which it finds itself reduced today? Sir, protection is no doubt a fascinating thing. You are always very pleased to have protection extended to you, when it does not hit you, and, on the other hand, it puts some money into your pocket. At the same time, I fancy, those who ask for and get protection owe a special responsibility to the country.

[Mr. C. C. Biswas.]

The textile industry of Bombay has been a long-established one, but even now it is not in a position to stand upon its own legs. Are we expected to agree that this spoon-feeding must go on indefinitely? Sir, I believe it is one of the fundamental axioms of economics that the justification for granting protection lies in this, that the industry to which the protection is afforded must so rationalize itself that within a measurable distance of time it should be able to stand on its own legs without any artificial stimulus or prop. It seems, however, Sir, that so far as the Bombay textile industry is concerned, it has been asking, like *Oliver Twist*, for more and more in the way of protection. I think the time has come when the whole position should be overhauled and re-examined and an attempt should be made to find out why it is that the Bombay mills cannot make any profits, while mills in other parts of the country, not more favourably situated, are able to do so. Sir, I would like to know from my friend, Mr. Mody, to what extent the Bombay mill-industry has taken action on the recommendations made by the Tariff Board in their report of 1930,—in what directions the industry has reorganized itself, in what directions the industry has tried to expand itself in the foreign markets in order to minimise its losses and in order to support itself without artificial stimulus all along. Sir, these are plain questions which require plain answers. On the other hand, if the industry is run on extravagant lines, if you go on charging commission upon profits and not upon production and sales, Sir, that can only tend in the direction in which it has actually led. Sir, I submit, therefore, that the industry in Bombay has got a great deal to explain to the country before it can claim the continued benefits of protection. (Hear, hear.) So far as the present Bill is concerned, as the Honourable the Commerce Member has said, the Government have not been able in the midst of their other preoccupations to find time for an examination of the proposals which the Tariff Board have recently made. Sir, I sympathize with my friends on the Treasury Benches; but, surely, while their time was fully occupied with many important matters, at the same time when the interests of the consumer are at stake one should have expected that the Government, however little time they may have had, would have arrived at some decision on this question, so that we might have had the advantage of knowing finally how they have made up their minds and be thus enabled to make up our own minds. On these grounds, Sir, I oppose 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 (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Mr. H. P. Mody** (Bombay Millowners' Association: Indian Commerce):

Sir, I shall obey your summons, but I should have greatly preferred being able to intervene at a later stage in the debate in order to be able to answer all the inquiries and doubts of my Honourable friends. That privilege, I am afraid, will be denied to me and I am not very sure what advantage will be taken of that position.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member must give a chance to others to reply to him.

**Mr. H. P. Moody:** With great respect, I submit, Sir, that it is I who have to answer my friends. I was hoping that it would not be necessary for me to strike any controversial note and that I could content myself with just a few general observations which would be relevant strictly to the purpose of the Bill before the House. Unfortunately, however, the temptation of utilising this debate for a little fling at the interests which I represent has been too great for some of my Honourable friends, and, therefore, it will be necessary for me to deal at a little length with some of the points which have been raised and which I should not have thought it would have been necessary for me to elaborate.

Sir, I must, in the first instance, start off with a short statement of the position of the industry in various centres. Somehow or other it has always been assumed as long, at any rate, as the time I have been connected with the industry, which is about 12 or 13 years, that when we talk of the textile industry we talk only of the Bombay mill industry, and that whenever the grievances, woes or difficulties of the industry are in question, they are generally the woes, the grievances and the difficulties of the Bombay mill industry. (*An Honourable Member*: "That is so.") That is not so. What I was going to say was that it is perfectly true that owing to a variety of causes, which it is needless for me to enter into on this occasion, the industry in Bombay finds itself in a more difficult position than the industry in other parts of India. To that extent, the identification of Bombay with the mill industry of the country is perfectly correct. But, Sir, I will ask my Honourable friends to believe that today there is not a centre which is not suffering from the wave of depression which has overtaken the industry, and that even in Ahmedabad, where large profits are supposed to be made, enormous stocks have accumulated, and the millowners there, according to a report in the papers, are thinking of short time, and a possible reduction in wages. My Association, in the course of a very elaborate examination which was made by the Tariff Board some few months ago, have placed sufficient facts and figures before the Board to establish the contention that the industry today is suffering in every centre. Large stocks, as I said, have accumulated, and they have aggravated very considerably the difficulties of the situation. In Bombay, particularly, machinery has been stopped to a very considerable extent. Something like 25 per cent. of the productive capacity of the Bombay mill industry has been curtailed. In Ahmedabad, the night working which was in full swing a few months ago has been stopped, and it was only yesterday that a very prominent millowner in the north of India said that if the present conditions continued for even a few weeks more, he would be obliged to throw out of employment as many as 3,000 working people. My Honourable friend, the Commerce Member, will be able to verify that for himself. Over and above these things, I would like my Honourable friends to understand, particularly when they talk of the want of re-organisation of the industry, that in the last few years capital worth crores of rupees has been written off: several mills have been reconstructed and several more have gone into liquidation, and in one way or another the financial reconstruction of the mill industry has been proceeding apace.

**Mr. B. Das:** I am glad to know that.

**Mr. H. P. Mody:** My Honourable friend is obviously not a shareholder. He says he is glad to know that, but thousands of poor shareholders have felt differently. What I was trying to convey was that enormous losses are being incurred both by the Bombay mills and by other centres of industry. And here I shall answer the inquiry made by my Honourable friend, Mr. Mitra, this morning as to the dividends paid by the mill industry, and say that, taking an average of the last seven years, less than one per cent. has been paid to shareholders in the shape of dividends. If you take into calculation the enormous capital sunk in the industry, you will realise the plight of thousands, perhaps hundreds of thousands, of shareholders who depend for their livelihood upon their investments in this the premier industry of the country. That is briefly the position, and no Member can seriously challenge it because, while one may indulge in pet theories or obsessions of one's own, one cannot challenge facts. If any Honourable Member wishes to satisfy himself further, I am prepared to put before him any amount of facts and figures to establish my contention that the industry today is in a very serious position. It may be asked, why then does the industry turn out the quantity of cloth which it does? My Honourable friends must remember that where there is a large concern which incurs enormous overhead charges, it is only in extreme cases when the mills are no longer able to carry on that they shut down. Till such a stage has been reached, the mills carry on in the hope of better times, and this is one explanation of the activity which has been going on in the industry. This activity has, during the last few months, been very greatly curtailed.

These being the facts, the only question that arises is: Are the mill-owners in any way responsible for these conditions? Now, Sir, it is a matter of great regret to me that some of my Honourable friends should indulge in statements which they are not in a position to substantiate. They have flung about charges of inefficiency, mismanagement and lack of foresight, without having made, I venture to submit with great respect to them, the least attempt to justify them.

**Mr. B. Das:** You are quoting the Noyce report.

**Mr. H. P. Mody:** My Honourable friend says that I am quoting from the Noyce report. He must have read the report upside down. The Noyce report, if it is properly read, is not an indictment of the millowners; it is a helpful report. As has been admitted by my Honourable friend, Mr. Das, himself, it is a report which has indicated the lines of advance, the lines of improvement, upon which the mill industry ought to proceed so that it could rescue itself from the position in which it finds itself. And, Sir, it is a document, which, if it is carefully perused, is a certificate to the way in which the millowners are conducting the industry. While we are on this subject, let me say that a great many of the recommendations of this report have since been carried out, and, therefore, whatever may have been the case in 1927, the mill industry, in respect of those lines of improvement which the Noyce Committee suggested, is in a different position today.

Now, Sir, when my Honourable friends talk of the want of organisation of the mill industry, may I remind them that many Commissions and Committees, official and non-official, have visited this country in the last few years, and have gone carefully into the conditions of the industry and have expressed an opinion which is entitled to at least as much weight

as that of the Honourable Members of this House who probably have dived into the subject, but very superficially. One of the most well-informed and influential delegations, that ever came out to this country, was the delegation headed by one of the most prominent men in the Labour Party, a man whom, I feel sure, my Honourable friend, Mr. Joshi, must know personally, the Right Honourable Tom Shaw who subsequently became Secretary of State for War in the Labour Cabinet. In that delegation, there were some German and some British labour men, men who had spent their whole lifetime in the industry; and, what is the verdict of that delegation? I would ask my Honourable friends, if there is a copy in the Library of this House, to study that report and they will find a most handsome tribute paid to the enterprise and efficiency of the millowners of this country. In one paragraph, if I remember aright, this delegation stated that in the matter of equipment, in the matter of keeping pace with all the improvements which were in progress throughout the world, some of the mills in India compared very favourably with the best mills in Lancashire. There was also a report made by a Committee presided over by a High Court Judge and known as the Fawcett Committee report. Even if you disregard the testimony, the united verdict of all these bodies of men, I venture to submit, you have not to wait very long before you will have the report of a body which has always received the utmost attention and respect in this House, namely, the Tariff Board. I do not know, Sir, what the Tariff Board have stated, but we have placed the whole case before them, and when the report is published, we shall be in a position to judge whether apart from a few isolated instances of lack of good management or efficiency, the industry as a whole is not conducting itself in a way in which the premier industry of this country should conduct itself, and in a way which would entitle it to receive the sympathy and support of this Honourable House, and of all outside this House who have an interest in the fortunes of a national industry. And I say, Sir, it was from that point of view that I did not intend to speak very much and I was hoping that the suggestion made by my Honourable friend, the Commerce Member, this morning that this was no occasion for criticising policies or programmes would make it unnecessary for any one to criticise the management of the industry. After all, if anybody has a grievance against the Government, who is it that has the grievance? Not my Honourable friend, Mr. Raju, not any of the other Honourable Members who spoke after him. It is the people who are interested in the industry who have a grievance against the Government; for if it had been possible to consider the report,—and the report has been lying with Government for a few months,—we would probably have had a more rational, a more far-reaching measure of protection to consider. We have, as things are, merely a continuation of the duties which have proved so hopelessly ineffective. Sir, I do not wish to criticise my Honourable friend, the Commerce Member, I do not wish to criticise Government at all. Their many preoccupations are quite well known to this House, and it is useless to say that they should have taken the report into consideration earlier. I think we must accept the plea that pressure of work prevented their applying their minds to the problems of the industry. But my point is,—and I appeal to my friends to pay some regard to it,—that whatever their opinion of the industry may be, they should wait for a few months and see what a responsible board of inquiry like the Tariff Board has got to say generally about the position of the industry.

[Mr. H. P. Mody.]

I hope I have said enough to show that the present position is desperate and it is not desperate because of any want of foresight or something worse so far as the millowners are concerned, I should like to go on to explain why it is that this present position has been reached. Briefly, Sir, the position is that Japanese inundation of our market has reduced our industry more or less to a stand-still, just as it threatens to cripple today a great many other industries which are not before the public gaze as often as the textile industry. In this connection, Sir, it is relevant,—and that is really the most important argument of the whole lot,—to consider whether on account of protection the consumer is suffering in any way. While I totally differ from my Honourable friend, Mr. Mitra, in a great many of his views, I think he is perfectly right in putting always before this House the point of view of those whom he represents, namely, the consumers, and if it were established that, on account of the various protective measures—I think my Honourable friend, Mr. Biswas, called them spoon-feeding,—if it were established that the consumer in India was suffering, then it might be a case for inquiry as to whether the interests of the consumer were more predominant than those of the manufacturer, and whether a proper balance could not be struck between the two. But, Sir, I should like to tell my Honourable friend, Mr. Mitra,—and I hope he will give me an opportunity of placing it much more fully before him later on than I can do in the course of a speech,—that, so far as present conditions go, the interests of the consumer have not suffered in the slightest degree. I have before me a large number of tables and statistics, enough to satisfy the appetite of even my Honourable friend, Dr. Ziauddin Ahmad, whom I am sorry not to see here today, and I find, taking the pre-war years, that the average price per yard of Indian mill-made cloth in those years was in the neighbourhood of 2.80,—I am taking the years 1912-13, 1913-14; and the price in the last two years, namely, 1931-32 and for nine months of 1932-33 was 2.87 and 2.73. In other words, Sir, the consumer in India pays today exactly the same price that he paid in the pre-war years in spite of the fact that, so far as the manufacturer is concerned, he pays as much as 130 per cent. more in the shape of wages, three times as much in the way of taxation as before and pays probably twice as much for his stores and supplies as he did in the pre-war years.

**Mr. A. H. Ghuznavi** (Dacca cum Mymensingh : Muhammadan Rural) : That is because commodity prices have gone down.

**Mr. H. P. Mody** : My Honourable friend is talking through his hat. (An Honourable Member : "He has no hat.") Well, if he had a hat, he would have a longer range to talk through. My Honourable friend need not think he is worrying me by these interruptions, because he will get more than he has bargained for. Let me take the case of both cotton and cloth for the years 1926—1930, and a part of 1933. In 1926, long-cloth was selling at 16½ annas per pound. It came down in 1930 to 12½ annas, that is to say, a drop of as much as four annas per pound. In the same period cotton dropped only by three annas per pound. In 1930, as I said, the price of long-cloth was 12½ annas per pound. Last week two of the largest concerns in Bombay sold fairly big quantities of cloth at 9½ annas per pound, that is to say, from 1930 to today, there has been a drop of three annas per pound, while cotton has not dropped by more than one anna per pound. I hope, my Honourable friend, Mr. Ghuznavi, is talking of cotton and not of linseed or wheat or gram or something which is less edible than that, viz.,

coal in which he is so keenly interested. If it is true to say that the shoe-maker should confine himself to his last, I would advise my Honourable friend in advance to confine himself to coal. If the House were not tired of a recital of these things, I would be prepared to place before them tons of more figures to show how the price, in spite of the increases in the duty, has not only not gone up, but has actually come down. Take grey shirting. When the duty was 15 per cent., grey shirting was selling at 3.2 annas; with the duty at 50 per cent., it is selling at 2.50 annas. It establishes the fact that all these increases in the duty have for one reason or another not meant any loss or injury to the consumer. Therefore, we have got to find out why it is that cloth is selling today cheaper than it did when the duty was 11 per cent. or even lower. The answer is Japanese competition. My Honourable friend, Mr. B. Das, has now come to realise that if there is any country which at present threatens the prosperity of the industries and trade of this country it is Japan.

Let me for a moment deal with the case of artificial silk cloth. Four years ago, imports of artificial silk cloth from Japan amounted to something like 16 million yards. Today they are 107 million yards. They have gone up six times in the course of four years. The price four years ago was in the neighbourhood of eight annas. Today it is in the neighbourhood of less than three annas. Whom does it hit the hardest? For the last couple of years, mills in India have stopped manufacturing cloth containing artificial silk yarn, but a great deal of artificial silk yarn is being consumed by the hand-loom industry, and, if the hand-loom industry is suffering today from any one factor, it is from this factor of Japanese competition in artificial silk piece-goods which makes it impossible to the hand-loom weaver even to meet his bare cost of manufacture, however low that may be on account of personal labour and other circumstances. And, therefore, when my Honourable friends talk of Japanese competition as being something which only affects a limited class of people, I would ask them whether they have considered the case of the hand-loom industry and how far it is being affected by Japanese competition. The Japanese competition does not merely affect us, it affects the hand-loom industry, it affects everybody, and it is on that account that the consumer today is in the fortunate position of being able to buy his cloth at a rate cheaper than he could obtain it, for when the duty had been less than 15 per cent., I have already shown in the course of the debate on the anti-dumping legislation that the purchaser is only entitled to insist on a fair price, and that he really cannot go on expecting to get what he buys at less than the fair price, because such a thing can never last for any length of time.

Sir, I have tried to point out, I hope, to the satisfaction of my Honourable friends, that the consumer's interests have not suffered. I would like to go on to another aspect of the question, namely, the larger aspect of the country's interests. Sir, it is unnecessary for me to tell my Honourable friends what really the textile industry stands for in this country. I should have thought that it would be a matter of pride and gratification to every one interested in the advancement of the country, to every one who believes in the efficiency, enterprise and capacity of Indians to conduct large scale industries, to look upon the textile industry and reflect upon the bright position which it has achieved for itself in the economic life of this country.

**Mr. S. C. Mitra** : I agree.

**Mr. H. P. Mody:** I am very glad that my Honourable friend, Mr. S. C. Mitra, says that he agrees. I think that all Honourable Members must agree that, when they are criticising this great national industry—and I am not suggesting for one moment that we should be immune from criticism or that if criticism is justified that we should be spared that criticism—that this industry has provided a practical demonstration of what Indians can achieve in the matter of industrial advancement. I claim it to be in every sense of the word as the greatest national industry of this country.

Apart from all these considerations, there is the consideration of what the industry means to the economic life of India. The industry employs something like 300,000,—perhaps 400,000 operatives throughout India. If you take into consideration the number of people who are dependent upon them it amounts to a very large figure. At any rate, the industry employs a very goodly proportion of the total number of skilled operatives in the organised industries of this country; and if an industry finds employment for such a large number of people, I think that industry is entitled to some consideration at the hands of this House and of people outside the House. If the position of this industry is depressed, how does it react on the position of the labouring classes in this country? As I told you, a few minutes ago, as much as 25 per cent. of the spindles and looms have been stopped in Bombay: on a rough reckoning I should say that about 25,000 to 30,000 people have been thrown out of their jobs. Translated into wages, this means that in a year the labouring population of Bombay is losing something between three-quarters of a crore and a crore of rupees. If that is the position in Bombay, what is the position in other centres of the industry? I think I am not exaggerating when I say that, translated into terms of wages, the labouring classes stand to lose, on account of the present depression, something which is probably in the neighbourhood of a crore and a half of rupees per year.

An argument has been advanced—and there is a familiar ring about it—about the cotton growers. May I ask, with whose interests are the interests of the cotton grower closely identified if not with those of the textile industry? A great deal of comment has been made on various occasions during the last two years about the way in which the Indian industrialist is sending for his cotton from abroad. I do not wish to go into a lengthy argument with regard to that. I have already pointed out on other occasions that a great deal of this cotton is cotton which you cannot possibly have in this country. My Honourable friend, Mr. Das, has drawn attention repeatedly to the Noyce Report. One of the main recommendations of the Noyce Report was that the industry can find its salvation to a certain extent by switching over to finer counts. That has been done with great success both in Bombay and in centres outside Bombay, and I think I am right in saying that in the last three or four years the quantity of yarn of finer counts has, both in Bombay and outside, more than doubled itself; I am not sure if it has not trebled itself. Where is the cotton for this to come from if not from those countries which are supplying that cotton today? There is no Indian supply of an equivalent description. I admit—I want to be absolutely fair and I do not want to hide anything or to exaggerate anything—I admit that a certain amount of the cotton which we have obtained in the last few years may be cotton of a type comparable with Indian cotton; but where this has not been the result of the fact

that there has been a shortage of Indian cotton, it must be put down to the price parity of American and Indian cotton. But in the main the position is that we are importing foreign cotton, because we cannot do without it, and I am afraid until such time as India produces that type of cotton we shall have to continue to import a certain quantity of foreign cotton. But I would like you to remember this at the same time, that the consumption of Indian cotton has also kept high, and that while, to a certain extent, to the extent of say a 100,000 bales, Indian cotton may have been displaced by American, it is nevertheless true that, so far as the cotton-growers are concerned, their real interests lie in the advancement of the Indian industry. I do not know whether it is being realised that more and more as time goes on the agriculturist will have to depend upon the indigenous industry in this country for the consumption of his cotton. I foresee a time when the purchases of Japan will diminish, not as a measure of retaliation as was said by one of my Honourable friends here, but because of economic causes; and then, where is the cotton grower to turn except to the Indian manufacturer? Take it from another aspect. Supposing you can prevent, say, 500 million yards of cloth coming into this country, what would it mean, translated into terms of cotton? It would mean an off-take which might amount to several crores of rupees. So, from the point of view also of Indian cotton growers, I say that their best interests are identified with our interests. That is a point which has been brought out by a Committee which is entirely independent and outside of us, and which has done enormous good to the cotton grower in India, I mean the Indian Central Cotton Committee. They have recently pointed out in a representation to the Tariff Board how a prosperous mill industry has a very considerable influence on the prosperity of the agriculturist who grows cotton. I do not know what other points I can answer: I do not know what points I can anticipate. I have merely placed a few considerations which I feel require to be emphatically brought out before my Honourable friends.

One more point. My Honourable friend, Mr. Biswas, said that Bombay was a special favourite of the Government of India. I do not know whether he intended it as a joke, or whether people are so devoid of humour in Bengal that they really believe this sort of stuff. Speaking for myself and for other interests in Bombay, I say that Bombay is most emphatically not a favourite of the Government of India. It has been our wail that we are the most neglected province in the whole of India. In 1927, I led an all-India Deputation before Lord Irwin and I said in the course of the discussion at that time that the conviction had been driven into us through long and bitter experience that, so far as the Government of India were concerned, Bombay existed merely for the purpose of paying income and super-tax and subscribing to Government Loans. When, therefore, I find my Honourable friend saying that Bombay is a favourite of the Government of India, I do not know whether he is trying to pull my leg or whether he really believes it. I prefer to think that it was meant merely as a sly hint to the Government of India that they must increasingly turn their attention to Bengal. From that point of view, the move is perfectly legitimate and I have not the least quarrel with Mr. Biswas. Let the Government of India look after every province; so far as Bombay is concerned, what we want is not favouritism, but bare justice; and it is that justice that I am standing in my place to demand.



[Mr. H. P. Mody.]

I do not think it is really necessary for me on an occasion like this, when all that is sought to be done is the mere continuation of the protection which exists at the moment, to deal with any other points. I appeal to my Honourable friends to take stock of the situation, and if they are satisfied that a case exists for the protection of the textile industry, not merely to give their blessings to this Bill, but also at the proper time to support an adequate measure of protection to the textile industry, so that it can stand on its own legs and cannot be crippled by the inroads of foreign manufacturers. We are talking of wealth being kept in this country. Where is the wealth being kept in this country if you are to send out enormous sums to foreign countries for purchases of cloth which the industry in India is able to supply today to every woman and child? I do not mean, of course, the very finest types of cloth; but, barring these, the whole requirements of the country can be met if the textile industry was well established and protected against ruinous foreign competition. I ask my Honourable friends to give their blessings to this Bill and to convey to the Government of India the strong expression of opinion of this House that, so far as the textile industry is concerned, they have nothing but the utmost sympathy with its difficulties. (Cheers.)

**Mr. A. H. Ghuznavi:** Sir, when I listened to the debate, it reminded me of what the late Mr. Gokhale said in the old Imperial Legislative Council 26 years ago. In 1905, addressing Lord Curzon, Mr. Gokhale said: "My Lord, pacify Bengal, and the rest of India will be pacified". He started by saying "My Lord, what Bengal thinks to day, the rest of India will think tomorrow; pacify Bengal and the rest of India will be pacified". Sir, things have changed. Pacify Bombay, pacify Punjab, and the rest of India will be pacified. That is the position today. Our friends from Bombay have been coming to us repeatedly with a beggar's bowl to give them support, at the cost of the consumers of Bengal, and their idea is "bleed Bengal white and give us money", for what.—for the most inefficient manner in which they are managing their textile industry.

Sir, that the Bombay mill industry is not being managed very efficiently has been stated not by me, but by Sir Frank Noyce himself in his Report of the Indian Tariff Board. I will take, with your permission, a few minutes, to tell this House once more how Bombay bled Bengal in 1905. Sir, with the Partition of Bengal, which was accomplished by Lord Curzon by a mere stroke of the pen, Bengal started to boycott British goods, and what was the result? I wonder whether Mr. Mody was the Chairman of the Millowners' Association then. . . . .

**An Honourable Member:** He was at school.

**Mr. A. H. Ghuznavi:** The result was that they took advantage of our patriotism. They not only increased their prices by 200 and 400 per cent., but they went further. They imported all the Japanese and Lancashire goods tore off one yard from every piece on which the foreign manufacturer's name was printed, and sold that cloth to us at four and five times the price . . . . .

**Mr. H. P. Mody:** Rubbish.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): Exploiting our patriotism.

**Mr. H. P. Mody:** He is exploiting your credulity.

**Mr. A. H. Ghuznavi:** My friend, Mr. Mody, says it is rubbish. It is not rubbish; it is a fact well established, and, if Honourable Members want to hear more about it, I can read out extracts from reports which are in the Library to prove that they did so in 1905 and they continued to do so for a long time at the cost of the poor consumers of Bengal. I made this statement in 1927 on the floor of the House. Where was Mr. Mody, where was Sir Cowasji Jehangir then? They never contradicted me then. What happened then was, they were piling up money at our cost, they never cared to put by any money in their reserve fund, they never thought for a moment that there was a day which was known as a rainy day when troubles would come. With luxurious motor cars some of them spent nine months in Paris enjoying there to their heart's content, with a hereditary managing agency, smoking away most expensive cigars available in the world, and ruining the trade at the expense of the poor consumers of Bengal . . . . .

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): May I point out to my Honourable friend that if millowners did enjoy themselves in Paris, they did it with their own money, and not with the money of anybody else.

**Mr. A. H. Ghuznavi:** They did it at the cost of the mills, they did it at the cost of the shareholders. What happened was this. The most profitable contracts were used to be entered in the books in the name of, and on behalf of, the managing agency, and the most non-profitable contracts were used to be entered in the name of the cotton mills in the books, and if my friend, Mr. Mody, wants to say "rubbish", I will quote from the report of Sir Frank Noyce where they have remarked that the audit reports were not at all satisfactory . . . . .

**Sir Cowasji Jehangir:** That is a very different thing.

**Mr. A. H. Ghuznavi:** After that, they raised their prices and made tons of money; they did not lay by anything for rainy days which they are now experiencing, but now they want Bengal, which consumes about 90 per cent. of their production, according to the Tariff Board's Report, to be bled white and give them the money they now want. What is the case they have made out? With your permission, Sir, I will just read a few extracts from the speech of Diwan Chaman Lal on the floor of the House on the 17th March, 1930. Before coming to that, I should like to say that in 1927 when the Yarn Protection Bill was introduced in the Assembly, Sir George Rainy gave the House to understand that this protection would be only for three years, and, after the end of three years, they would examine the position again and decide whether they should withdraw it or amend it. Three years passed in 1930; then our friends said that they wanted this protection for another three years and said that they would not again come up to Government without properly examining the position. They have enjoyed this protection for all these six years, and in the seventh year, they want an extension for another eight



[Mr. A. H. Ghuznavi.]

months. Goodness knows what the Tariff Board have reported, their report is not before us,—they want to bleed Bengal at any rate for another eight months till we know what to do at the next autumn Session. In 1930, this is what Diwan Chaman Lal said:

"On the last occasion when I was discussing the provisions of this Bill, the main proposition that I placed before this House was this. Firstly, is protection necessary? Secondly, is protection desirable? Thirdly, is the scheme of British Preference contained in the Bill a scheme which we ought to assent to? Now, Sir, I detailed at some length certain arguments I advanced in contradiction of the statements made by my friend, Mr. Mody. I take this opportunity, once again, of saying, that Mr. Mody has done his level best. He has, in a brilliant and eloquent manner, placed his case before this House. To be brilliant and eloquent does not necessarily mean that one is convincing. As far as I am concerned, I stand absolutely unconvinced by the arguments that he has placed before this House. I want to refer Honourable Members briefly to the statement made by the Honourable Sir George Schuster in his Budget Speech."

Mark these words, Sir:

"The charge, you will remember, I was making, was this that we are subsidising the inefficiency of the millowners in this country, and that charge I take from the mouth of Sir George Schuster himself."

In his Budget Speech he said:

"We are subsidising the inefficiency of the Bombay millowners"

and that charge he takes from the mouth of Sir George Schuster himself:

"In his Budget Speech he (Sir George Schuster) said also:

"We recognise that the ultimate failure or success of the mill industry in Bombay must depend entirely upon the extent to which the millowners utilise the present opportunity in order to improve their efficiency and labour conditions, and, if full use is not made of this opportunity, the position of the industry may be no better in the succeeding period of three years than it is today."

With your permission, Sir, I will quote one more paragraph from Diwan Chaman Lal's speech, and then I will go on with my comments:

"While there has been a drop in the Lancashire business there has been an increase as far as Indian production is concerned from 285 million yards in 1914 to 661 million yards or an increase of 331 million yards. Does that show that the cotton industry in Bombay is in a moribund condition? Does it show that it is receding instead of advancing? It has gone on capturing business. Even according to the statement of the Honourable Sir George Rains which is to be found on page 2 of the document he has circulated, he says that during the last twenty years the Indian mill industry has made extraordinary progress, and its expansion has taken place almost entirely at the expense of British industry."

Sir, they want us to give them protection. They come to us almost from year's end to year's end with a beggar's bowl in their hands—they say, give us money, give us money. We have given them money at the cost of the Bengal consumer. What have they done for us, I ask? What have they done? Bengal possesses coal. Are they using Bengal coal? (Hear, hear.) They use oil fuel, they are using Tata electric power. If they want to come before us with a beggar's bowl and ask for assistance, they must say: "We are going to buy your coal." (Hear, hear.) (An Honourable Member: "The cat is out of the bag.") Sir, they say that they are in a very bad condition. It is only Bombay, but the millowners in the rest of India have not asked for it. It is only Bombay and not even Ahmedabad. It is only Bombay, Bombay and Bombay, and no other part of the country that is asking for this protection. I do not

know what is the charm. The moment Bombay comes before Delhi and Simla, the Commerce Member immediately extends all his patronage, and says this will be done and that will be done. What has the Honourable the Commerce Member done for us in Bengal? Has he given us any protection? Has he asked us to suggest anything? Whenever we suggested anything, he has said, he could not do it; but he dare not do that with Bombay. (An Honourable Member: "Because he comes from Bombay.") He does not come from Bombay. (An Honourable Member: "He does.") So far as we are concerned, we know we shall be defeated, but we shall cast our vote against this Bill.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): If I intervene in this debate, it is not to oppose the Bill, but it is rather to sound a note of warning with reference to certain tendencies that I see developing and certain dangers that I look ahead. I shall not waste the time of the House nor waste my own time in any diatribes against the millowners of Bombay or other places, nor shall I describe them as people who are inefficient, who do not know how to use their money, or mis-spend their money elsewhere. I do not think it is fair to any body of persons of whose position we know so very little, of whose private life we know much less, that we should voice forth sentiments of that character without that responsibility which should attach to statements of every Member of the Legislative Assembly.

Sir, I look at this question from a very different point of view. My friends throughout these debates on tariffs have been looking at the question either from the industrialists' point of view or from the consumers' point of view. There is, I venture to think, Mr. President, a third point of view which is at least as important as either of these, and that is the point of view to which expression has been given this morning by my Honourable friend, Mr. Raju—the point of view of the producers of raw materials in this country. My Honourable friend, Mr. Mody, will easily realise that the position of the producers of raw materials is a most important consideration even from the point of view of the industrialist or the millowner himself. You talk of production of manufactured goods, of textiles and various other industrial products, but there must be a market for these things, and the market is to be found, the consumer is to be found in the producer of raw materials in this country. There is an economic truth that the velocity of production must follow the velocity of consumption. The ultimate consumer, therefore, determines how much you should produce, what sort you should produce, and to what extent protection must be given to your productions. If the producer of raw material, who is the mainstay of all consumption in this country, is not looked after, if his position is worsened day after day, I venture to think that my Honourable friends, whatever protection they may get from this Assembly, will not have the happy time which they foresee ahead. What do I mean by that? Our wealth depends upon the production of raw materials, and what becomes of the raw materials of this country? Time after time if we put these tariffs, what will be reaction on the production of raw materials and on the sale of these raw materials? Let me take raw cotton itself which is allied to the subject that we are now discussing. What is the position of raw cotton? My Honourable friend, Mr. Mody, made light of the fact that during the past few years they were importing a certain amount of raw cotton for the manufacture of their cloths. I

[Diwan Bahadur A. Ramaswami Mudaliar.]

understand the argument to be that as stated by the Noyce Committee report the quality of the cloth must improve, finer counts must be used in the production of cloth, and, as India does not produce that long staple cotton which is required for this purpose, the millowners are justified in going into other markets and getting either Egyptian or Kenyan or American cotton. It may be so; but when you are suggesting that your industries are national industries, and that they require protection and when, on an examination of this, we find that your machinery is brought from outside, your cotton is brought from outside and what you merely do is to employ a few industrial labour hands to turn out cloths, well, the claim of that industry to be called national becomes less and less justified. I do not suggest that any large quantity of raw cotton is being used at the present moment. As I have said, my purpose this evening is to sound a note of warning with reference to tendencies developing, to point out the danger lying ahead which millowners must not neglect if they want to continue to have the sympathy either of this House or of the wider public. Let me take the import of raw cotton into this country. In 1929, we imported a quantity of 3 crores and 90 lakhs. In 1930, it was 3 crores and 42 lakhs.

**Sir Leslie Hudson** (Bombay: European): Is that value or weight?

**Diwan Bahadur A. Ramaswami Mudaliar:** I am talking of value. I will come to weight later. In 1931, it went up to 638 lakhs. In 1932, it went up to 733 lakhs, and, for the eleven months of 1933, it went up to 635 lakhs—imported raw cotton. From the United States of America alone, in 1929, you imported 137 lakhs, in 1930, 19 lakhs, in 1931, you imported 72 lakhs, in 1932, 198 lakhs and, in the 11 months of 1932-33, you imported 3.41 crores worth of cotton. I ask myself whether all that cotton is really of the long staple variety, whether much of it is not of the ordinary variety which you have imported merely because the price of the United States cotton is much less than the cotton produced in this country. I do not blame the millowners for that purpose. I turn to my friend, the Honourable the Commerce Member, and I ask him, is it fair that because deputations do not wait and bring home these questions before you of the position of the raw products of this country, therefore their position should be neglected altogether? There is, I know, an import duty of six pies per pound of raw cotton. I am not asking that that import duty should be immediately raised, but I say that Tariff Boards are looking only at one aspect of the question and they are completely neglecting the other aspect of the question. Has any question relating to raw products been referred to the Tariff Board during the last eight or nine years that it has been in existence? My Honourable friend will refer to wheat. I shall have my observations to make when that Bill comes up for consideration before this House and I shall try to show that the import duty laid on that has been of little significance to the producer of wheat.

There is another point I should like to explain. A great deal has been said about depreciated and depreciating currency. I do not wish to make any distinction for the purpose of the present argument. It is perfectly true that Japanese currency has depreciated and perhaps it is still depreciating. Their goods are dumped into this country but when

you realise that your raw cotton is being sold to Japan, what is the position of the producer of raw cotton? Have you considered the effect on the producer of a depreciated and depreciating currency? Are you thinking of a bounty being given to the grower of cotton, because the quantity that he exports to Japan produces much less price owing to the depreciated currency than otherwise he would get? The Statement of Objects and Reasons says that owing to the unfair competition arising from the prevalence of unfair labour conditions in China, this Bill has been necessitated.

I take the producer of another raw material, Rice. I find that rice has to be exported to China in very large quantities and I find that during the 11 months of this year, one crore and 68 lakhs worth of rice has been exported. We know that internal prices can never adjust themselves and the price level can never be reached unless we are in a position to export our surplus raw produce to other countries. Now, the value of goods that come from China is about 71 lakhs in the same period, so that we have really a favourable balance, because we are able to sell rice and other things to China. What will become of our sale if we are going to put embargo after embargo on the import into this country of products from China or from Japan or from various other countries?

Now, Sir, the Finance Member speaks of a proper balance of trade. A proper balance of trade can be arrived at in two ways, by restricting the imports into the country and also by encouraging exports from this country. It is perfectly true that a Tariff Bill like this will put a restriction on imports, but what is the reaction on exports and that is what I should like the Honourable the Commerce Member to address himself to. How will it affect the exports of this country if this prohibition is to be applied? My friend, Sir Leslie Hudson, the other day talked of depreciating currency and wanted some sort of restriction by way of tariffs evidently to protect India from the dumping due to depreciated currency. What will be the effect on exports from this country of jute, raw cotton, rice, hides and skins, tea and coffee and various other things? We are not exporting all these things to the United Kingdom or the British Empire alone. If we examine the trade returns, we find that at least half of our exports go to foreign countries,—slightly more than half of our exports. With reference to many of these countries, our trade balance is almost exact. We import from those countries almost as much as we export to them. In fact with reference to several countries our export balance is on the right side.

**Mr. H. P. Mody:** As my friend is developing this argument, might I point out to him that irrespective of any curtailment of Japanese imports of cotton goods or any other kind of goods into this country, Japan imposed a few months ago by one stroke as much as 250 per cent. more duty on pig iron than before and that Japan's action is irrespective of any action taken in this country, in other words Japan does exactly what suits her interest.

**Diwan Bahadur A. Ramaswami Mudaliar:** I am only suggesting that my country should do exactly what suits her interests. But I am not confining that interest to any particular industry or any particular phase of industrial life in this country. I want the Honourable the Commerce Member to examine both sides of the question. I started by saying that this is one of the aspects of the question which has not been presented either by petitions or on the floor of this House in the way I should like

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it to be done. I want him to realise that there is a difficulty with reference to the export of our products. India is an agricultural country and for as long as we can look ahead it will continue to be an agricultural country and our price level of agricultural products is mainly dependant on the export from this country. Therefore, my suggestion is that before you put these tariffs and before you revise these tariffs either on the ground that there is a depreciated currency or owing to other reasons, you have to consider how it will react on the export of raw materials to the various countries. Now, up to the end of March, 1931-32, our exports to various countries were greater than our imports. We exported to Germany in the last official year 10.27 crores, whereas we imported from Germany 10.18 crores. To Netherlands we exported 5.9 crores as against imports of 2.4 crores; to Belgium we exported 4.45 crores as against an import of 3.1; to France we exported 7.63 crores as against an import of 2.17; to Italy we exported 5.41 crores as against an import of 3.58; to China we exported 7.79 crores as against 2.78 crores. Even to Japan we exported 13.94 crores as against an import of 13.32 crores, a favourable balance again with respect to that country. To the United States of America, we exported 13.86 crores as against an import of 12.83 crores. Therefore, it seems to me that we must realise the danger that lies ahead when we raise these tariffs in such a way as to prohibit imports from particular countries without having properly taken care of the fact that our exports may similarly be penalised. I shall not deal with the question of the depreciated currency. My Honourable friend, Mr. Raju, has already dwelt on that point.

It is obvious that you cannot have discrimination against Japan alone. Knowing the conditions that prevail in Japan, knowing the prices at which Japanese goods are sold in this country, I would be the first to agree to any such discriminating tariff against Japan. When Japan buys our raw cotton, takes it away in her steamships, manufactures it into goods there, brings it back in the same steamship and sells it below the price of the raw cotton itself, then I think there is something very much wrong in the state of industry in Japan and it is time that we protected ourselves against it. I have no quarrel at all with anybody if you can confine your discriminating policy against a country which, by some mysterious processes which no industrialist has so far been able to explain, is able to sell manufactured goods below the cost of the raw produce itself. But I sound a note of warning when that policy will involve other countries with which we need not be in an economic war, countries with which we have no grievance and countries which we must bring in because by some trade convention we are in the meshes of a difficult net out of which we cannot escape. Sir, my friend referred to the Anglo-Japanese Convention made in 1911-12 (*Mr. H. P. Mody*: "In 1905 I think")—I think it was renewed in 1911—whereby Great Britain made a treaty with Japan and included India in it. It did not include its colonies, at any rate that is my recollection. That treaty continues to be in existence and it can only be denounced by 12 months' notice being given to the Japanese nation. If it could be done and if 12 months' notice could be immediately given, so that we can get out of this Japanese thralldom, I would be very happy and we should then only have the straightforward task of penalizing Japanese dumping into our country. But because we want to penalize Japanese dumping, if we are going to involve Belgium, the Netherlands, the United

States, Africa and Italy in the scope of a comprehensive Bill, it would not be proper and I must sound a note of warning, on behalf of the producers of raw cotton in this country, and on behalf of those who produce goods which are of value only because they are sold outside.

Take one very common agricultural product, groundnuts. The trade returns show that groundnuts are sold mainly, almost entirely, in the continental countries of Europe. If you are going to bring in all these countries into the scope of this anti-dumping Bill, what will be the future of the groundnut trade? Already we hear whispers of Germany trying to think of some synthetic processes by which groundnuts may be displaced for the purpose of the extraction of oils. What will become of the agriculturist, of the condition of whom you, Mr. President, are better aware than most of us here—those millions of people in the Madras Presidency who for their very existence depend upon the groundnut trade? They have abandoned rice cultivation, because that is not paying now and they have taken to groundnut cultivation in those areas which used to produce the paddy before. What will become of them if the groundnut markets are lost; and I want the Honourable the Commerce Member—and I am sure he is already thinking of this question—to bestow a little more attention on this aspect of the case so that the producer of raw materials may have an opportunity of presenting his case and of having his case considered, and whether by a tariff policy, which may be necessary in some cases, or whether by the removal of excise duties, which may be necessary in other cases, or by the arrangement of marketing facilities abroad, we might be able to secure his proper and just share in the economic polity of this country. That is all I plead for. Sir, I shall satisfy myself by playing the part of the Laputan flapper who said to his royal master: "It is time that your attention is drawn to this subject also". Sir, the Treasury Benches are so far away from us, and are so majestic in outlook, that I will content myself like the Laputan flapper with sounding a note of warning in all humility on behalf of our raw producers to take their case into consideration and to have some consideration shown to them; and, Sir, if I succeed, I shall have done my duty. (Loud Applause.)

**Mr. N. M. Joshi** (Nominated Non-Official): Mr. President, I assure my Honourable friends in this House that although I come from Bombay, I have absolutely no responsibility for the management of the Bombay textile industry. (Laughter.) Sir, that the condition of the textile industry in our country is bad at present is undoubted. It is also an undoubted fact that on account of dumping which Japan has been practising, the industry in our country requires protection. Mr. President, I am not one of those people who think that in the interests of the consumers we should refrain from protecting our industries in this country. (Hear, hear.) If the whole world had been following the principle of free trade, I would certainly have recommended free trade for our country also, but so long as the world is not following free trade, it is wrong to expect one country to follow that policy. Moreover, in the interests of the whole country, it is absolutely necessary that there should be a proper balance between agriculture and the other industries in our country. We cannot be content with being a country mainly producing raw materials. Along with the raw produce, we must also take every possible step to develop our manufactures. Looking at the question from that point of view, I believe it is necessary, in the present state of industrial development in our

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country, that we should do everything in our power to develop our manufactures. But, Mr. President, I am one of those people who think that by merely increasing our import duties we shall not succeed in developing our industries. Let us look at the history of the protective measures in our country. Whenever a protective measure has been introduced, every time it was assumed that that measure was only intended for a very short time. Have we ever heard of any measure of protection having been withdrawn? Not only in our country has this never been done, but it has never been done in any other country in the world. If you once start protecting an industry by the imposition of import duties, that industry will require protection for ever and ever. I, therefore, feel, Mr. President, that if we depend upon mere import duties for protecting an industry, that protection will be required to be given for all the time to come. I think, therefore, that the Government of India should not remain content by merely increasing the import duties: the Government of India must seriously tackle the whole problem of industrial development. The Government of India must try to control not only one industry, but all industries. My Honourable friend, Mr. Ramaswami Mudaliar, has pointed out that if you try to protect one industry, other industries will be hit. That is quite possible. Therefore, there must be a co-ordinated policy for the protection of industries of the country. Not only, therefore, should we make efforts on behalf of the protection of one industry in the country, but we must also try to remember that when we try to develop one industry, such as the textile industry, the other industries should also be helped to develop *pari passu*.

My Honourable friend, Mr. Mody, stated that the millowners of Bombay have done everything possible in their power to encourage the growth of finer cotton. He did not perhaps quite say that, but he stated that they have done nothing to discourage the growth of finer cotton in this country. But it is not enough that they have done nothing to discourage the growth of finer cotton. Our industries, with the help of the Government, must do everything possible to develop the subsidiary industries including the production of raw materials. Leaving aside cotton, may I ask, what we have done to develop the industries required for the mill stores? We have been purchasing crores and crores worth of mill stores for more than 50 years, and have we done anything to develop those industries and produce our own mill stores? We have done nothing. The question of making the machinery required for the textile industry is also not tackled. If we do not take steps to develop these subsidiary industries, the country, as a whole, will not gain much by raising the import duties in order that one industry should be protected. I, therefore, appeal to this House to consider, whenever a protective measure is introduced, whether it is not possible for us to adopt a much broader, a much bolder and a much better co-ordinated policy for protecting our industries instead of trying to protect an industry by merely increasing the import duties on certain articles.

Then, Mr. President, my Honourable friend, Mr. Mody, also stated that the millowners of Bombay have done everything possible for the re-organisation of the industry. I do not know what the mill industry has done for its re-organisation, but I know one thing, namely, that some millowners in Bombay had interested themselves in making a scheme for the re-organisation of that industry. I would like to know from my friend, Mr. Mody, whether the millowners in Bombay adopted that scheme. I

am not suggesting that that scheme was a perfect scheme, but, even that scheme, defective as it might have been, was not adopted by the millowners of Bombay. Here, Mr. President, I feel that it is the duty of the Government of India, when they try to increase the duties on certain articles by way of protection, to see that the industry takes every step possible for its reorganisation, if that reorganisation is necessary for the efficient condition of that industry. I think nothing has been done so far in that direction. I would also like to urge upon this House another consideration. When we try to protect an industry, we certainly do not mean to protect the interests of shareholders alone. We mean that all those who are engaged in that industry will be protected. From that point of view I would like to ask the Government of India what they propose to do to protect the workers engaged in the textile industry in our country. We are increasing the import duties in order that the shareholders' interests should be protected. May I ask, Mr. President, whether we are going to take any steps for protecting the interests of the working classes? Only a few days ago, I put a question to the Honourable Member-in-charge of the Department of Industries and Labour, when he proposed to introduce a Bill for reducing the hours of work in Indian Factories. I did not get a satisfactory reply from the Honourable Member. I ask him again now, when do the Government propose to introduce a measure for reducing the hours of work in the textile industry and in the factories in our country? This is the time when the Government of India can put pressure upon the factory owners and the employers in our country. When they are thinking of increasing the import duties and giving protection to an industry, it is then that the Government of India can certainly ask the industry whether they are willing to reduce the hours of work or not. If the Government of India will not bargain at such a time, when will they bargain with the employers in this country? Mr. President, my Honourable friend, Mr. Mody, said that the wages in Bombay were higher although the prices had gone down. I do not wish to go into the details of this question. But I can say this that the condition of the workers in the industry in Bombay is worse than the conditions obtained anywhere else in the world. You take any civilized and advanced country . . . . .

Diwan Bahadur A. Ramaswami Mudaliar: Including Japan.

Mr. N. M. Joshi: I am coming to Japan. You take any advanced and civilized country in the world and you will find that conditions in India are much worse, many times worse than the conditions in those countries. What is necessary in India is to improve the conditions and not to allow these conditions to be worsened. I would, therefore, suggest to the Government of India that when they bring forward proposals for protecting an industry, they should take steps to see that not only the conditions in that industry will not be worsened, but steps will be taken by the employers in that industry to improve the conditions from day to day. Take the question of unemployment. It is true that the condition of the industry is bad; conditions are bad; there is depression all over the world. But in the civilized countries of the world they have taken steps to see that people will not suffer very much on account of unemployment. The question which I would like to ask of this House is: What have we done to relieve the distress of unemployment in our country? The millowners in Bombay are threatening to shut down their mills. What are the poor workers to do under those conditions? The millowners some times issue

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notices for shutting down their mills, not as a measure of economic necessity, but in order to reduce the wages of the workers. Under these circumstances, the workers in the industry require protection from Government and from this Legislature. I would like to know what this House proposes to do in that direction and what the millowners propose to do for the relief of the unemployed. Only recently I read in papers and my friend, Mr. Mody, endorsed the fact that the millowners in Ahmedabad have already issued notices for the reduction of wages . . . . .

**Mr. H. P. Mody:** When did I say that?

**Mr. N. M. Joshi:** You yourself stated that the wages are being reduced in Ahmedabad.

**Mr. H. P. Mody:** I said nothing of the sort. I was merely referring to a newspaper report in which it was stated that in Ahmedabad some people were thinking of going on short time and also of reducing wages to a certain extent. I was referring merely to a newspaper report.

**Mr. N. M. Joshi:** My Honourable friend, Mr. Mody, says that he was only referring to a newspaper report, but I know that not only in Ahmedabad, but almost in every textile centre, attempts are being made for the reduction of wages. Take Bombay itself. It is true that the millowners in an organised effort have not yet attempted to reduce the wages. But unfortunately for the millowners of Bombay, although they have a Millowners Association, I am quite sure, even my friend, Mr. Mody, will not contradict me when I say that they are not a very much organised body. Moreover, it pays them sometimes to reduce the wages not by an organised effort, but by individual efforts. That is what is happening in Bombay. Every mill is trying to reduce the wages individually. They take advantage of the fact that there is unemployment in the city and try to reduce the wages. Wages in Bombay are being reduced from month to month. All this must be put a stop to if all the interests, which are involved in an industry, are to be protected by means of protective measures.

Mr. President, reference has been made several times in this House that, on account of bad working conditions in Japan and in China, we are unable to improve conditions in our country. The Statement of Objects and Reasons of this Bill states that on account of bad working conditions in China, protection is necessary for the Indian industry. Now, what I would like this House to consider is whether we have really got sufficient material to state that conditions in China are worse than conditions in India? Have we really got good material to state that conditions in Japan are worse than conditions in India? I am not myself prepared to make any statement to the effect that conditions in Japan and China are worse than conditions in India. As a matter of fact my own information is that the hours of work generally in Japan are today shorter than the hours of work in India. My own information is that the wages in Japan today are higher than the wages in India. (Some Honourable Members: "No.") There are

Members who say, no. I would like them to place before this House authoritative facts. And, therefore, my point is this, that if there is a feeling in our country that conditions in Japan and in

China are worse than the conditions in India, the first thing to do is that we should get correct information from those countries about those conditions.

**Mr. F. E. James** (Madras: European): Sir, may I suggest to my Honourable friend that he will find all the information he wants in two recent reports in the office of the International Labour Organisation?

**Mr. N. M. Joshi:** Sir, I have certainly seen the reports which the International Labour Office publishes. But in spite of those reports can any one here state that we shall agree as to the facts of this question? I have read several books; I generally make it a point to read books about conditions in Japan and China. And still a doubt is always left in our minds that, after all, the conditions in Japan may not be worse than the conditions in India. I, therefore, suggest to the Government of India that they should try to send the Tariff Board or any other delegation to Japan to inquire into the conditions prevailing there. Then, Sir, I shall not be satisfied even with that. After all, what is the use of collecting information from different countries unless we make an effort to come to an understanding with those countries? If we merely increase our tariffs, because the conditions in China and Japan are worse, we shall have to go on doing that till eternity and there will be no improvement in our own conditions. What is absolutely necessary is that there should be a co-ordinated and concerted international effort in this direction and for that purpose. Sir, you will remember that the workers' delegates at the International Labour Conference have been making a great effort that there should be a Labour Conference in Asia. We have tried our very best to get an international labour organisation to call a Conference; and who is standing in the way of that Conference? One of the Governments that stands in the way of such a Conference is the Government of India. If we really want that there should be common standards of working conditions in Japan, China and India, the best course is not that we should abuse each other, but we should make a common effort to improve the conditions, to level up the conditions in these different countries. And I shall suggest to the Government of India that they should give up their policy of standing in the way of a Conference between the countries in Asia for discussing labour conditions and seeing how those conditions should be improved. An effort in this direction is necessary in order that there should be an improvement throughout the countries and one country should not drag down other countries standing in the way of progress.

Sir, I have no more to say on this Bill, but there is one more point. It has been stated that the wages in our country are higher than the prices and we make statements about wages and prices and we are never able to find out what the truth is. Now, some years ago, the Government of Bombay introduced a Bill for the collection of statistics from different industries. If we are able to collect statistics by means of a statute, we shall be in a much better condition to judge what the real facts are. But, Sir, do you know why the Bill was dropped by the Government of Bombay? It was dropped on account of the opposition of the representatives of the Millowners' Association. I do not know, Sir, why the millowners of Bombay should be afraid of the collection of statistics if the conditions in Bombay are really very good.



**Mr. H. P. Mody:** If you knew your business, you would be afraid, not we.

**Mr. N. M. Joshi:** Whether I know my business or not, I am not against truth being found and discovered. It is the representatives of the millowners of Bombay and the Indian Chambers of Commerce in Bombay who opposed the Bill for the collection of statistics in Bombay. Sir, I, therefore, suggest to the Government of India that they should, without any delay, bring forward a measure for the collection of industrial statistics, so that whenever we discuss measures of this kind, we shall be better able to discuss these questions and we shall have better facts upon which we can debate.

**Mr. Amar Nath Dutt:** Sir, I was listening to the lengthy debates in this House for nearly four hours or more. During this time I was surprised to find that before the representatives of the people the skeleton in the feast was not present, save and except before two Honourable Members from Madras and one from Bengal. Neither the Government nor the so-called representatives of the people ever attempted to remedy the wrongs and to alleviate the miseries of the poor agriculturists of this country who need more aid at the present moment, not only from the Government, but from their countrymen like Sir Cowasji Jehangir and Mr. Mody also. But, Sir, the vision of a starving Mody and Jehangir only was before the House and the discussion was how to relieve the distress of the millowners of the Bombay Presidency. I am not one of those who would charge the Honourable the Commerce Member as my friend over there did when he said that he had no sympathy for Bengal industries. On the other hand, I know that he has been trying to revive the small industries of my province. But, Sir, the one thing that pains me more than anything else is that much of our activities and much of our attempts are spent in trying to give more to those who have more and to take away as much as possible from those who have less. Sir, 90 per cent of the people of this country are agriculturists and the income of many of us, landholders as well as (*A Voice: "Lawyers"*) yes,—lawyers also depends upon the agriculturists. These landholders and lawyers who come here have a sacred duty to protect the poor agriculturists. But they have not up till now been able to attract the sympathy of the Honourable the Commerce Member or of the Honourable Member for Agriculture, who is not here now. At the same time, I hope these words may reach him. Even when we ask for an inquiry into the condition of these agriculturists, that is denied to us by the Government of which he forms a part. But when the millowners of Bombay come before Government, at once the Honourable Members of Government frame a Bill which is introduced and taken into consideration and an attempt is made to pass it on the very same day. Sir, I wish at least some portion of this enthusiasm had been shown for the relief of the agriculturists whom my friend over there also represents, I mean my Honourable friend, Captain Lal Chand.

Now, as regards the present Bill that we are considering, it is nothing but an attempt to extend the provisions of a Bill which was first introduced for three years and extended for another three years. I was surprised—I do not find my Honourable friend from Orissa in the House, who has achieved a great feat in having his agriculturist province separated from Bihar, he is not here—but I was surprised when I found him, as he admitted, in the same bed with Mr. Mody. They are strange bed fellows

indeed. If I know him right, he is not a man who is more than for millowners, for I remember what he said only three years ago when the protection was being extended for another three years in this very House. Sir, then he opposed this extension. I beg to submit before this House that, in attempting to extend this Bill for another seven months,—and the reason given here is that an enquiry has already been held, but the Government have not been able to come to a decision with regard to the necessary steps to meet the situation which will arise when the Cotton Textile Industry (Protection) Act, 1930, expires,—is not this coming to a decision, i.e., at least to extend for some time the provisions of the Bill which was passed in the face of opposition from the representatives of the people? I submit that it appears to us that when a wrong has been perpetrated over a weaker section of the community, it is impossible for them to have that wrong redressed. In this way the Government are, it appears to me, perpetrating the wrong for three years and they see how it works for three years, then again another three years, and after all a case has been made out or attempted to have been made out that the Bombay millowners are not getting their dividends and that the mill industry in Bombay is suffering, but what is the reason, I ask, before we give any further extension to this protective Bill? I think we ought to try to know what is at the root of the difficulties of these Bombay millowners. Sir, I was reading a book named "Investors Indian Year Book for 1931-32", and, in a review at page 137, I find the following words:

"It is rather remarkable that the only cotton weaving mills in India which do not seem to compete successfully with Japan are certain of those situated in Bombay".

The Bombay Presidency, of course, has its own picture. Labour is expensive and troublesome there. For that they must thank my friend, Mr. Joshi, who comes from Bombay. But, Sir, I draw your special attention to this, so that these people may understand and one cannot but feel that there is something radically wrong somewhere—perhaps either with their management or method—when year after year their trading results are so poor. I will not charge the Honourable Members with having spent nine months in Paris or having spent money over gold tipped cigarettes and other luxuries, but, at the same time, I must protest against inefficient management of industries and then attempting to tax the poor people. My Honourable friend, Mr. Ghuznavi, has already given you a picture of what our Bombay millowners and our Bombay philanthropists did at the time of the Swadeshi agitation in Bengal in the year 1905. Taking advantage of the extremely sentimental and patriotic nature of the Bengalees, our Bombay friends made a profit or rather got dividend to the extent of 300 per cent. or 400 per cent at the expense of the patriotism of ill-advised Bengalees. Sir, we shall not forget those days.

My Honourable friend, Mr. Joshi, representative of labour in India has taken up the cause of only industrial labour, but I have never found him speaking about the poor agriculturists and agricultural labour, who form the bulk of the labour population in India. Labour propagandists try to influence the capitalists with the object of raising the wages of the labourers. I am not one of those who try to come down upon the capitalists and to raise the price of labour, say from Rs. 20 or Rs. 25 a month to Rs. 100 or Rs. 150, and see that the graduates only get Rs. 20 or Rs. 30 a month. I remember during the enquiry of the Retrenchment Committee the family budget of a postal peon was shown to be nearly a hundred rupees and the price of a *sari* of the wife of a postal peon was



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shown as Rs. 5, and a member of the Committee at once said that his wife never wears a sari as costly as that. That is the idea with which my friend, with his Geneva ideals, wishes to improve the condition of the labour. If, Sir, Europe does give us literature and history, it has brought certain other evils along with it and this labour propaganda is one of them, and I am not one of those who will stand with him in this matter, but at the same time I would ask him to be more patriotic, to go to the villages and fight the cause of the agriculturists. I should not be misunderstood to be supporting the attempt by this Bill to inflict further loss upon the consumers, the agriculturists who have to buy cloth. Sir, the price of cloth has been given by my friend, Mr. Mody, and that it is at the present moment less than what it was in pre-war days. But would he care to remember what is the price of the agricultural produce at the present moment? So far as Bengal is concerned, I may tell you that it is one-third of what it was in the pre-war days. Rice is selling at twelve annas a maund while it was more than Rs. 3 in the pre-war days. That being so, Sir, two maunds of paddy will bring a cloth for the agriculturist at the present moment, but if further embargo is put upon import of clothes from Japan, I think they will raise the price of cotton textile and the poor consumers will have to pay the price, and, as for the loss, I am one of those who are willing to give protection to the extent which will not injuriously affect the poor agriculturist and also save our industries. I am not against it, but, at the same time, certain figures have been handed over to me from which it is apparent—and I challenge my friend, Mr. Mody, to contradict that these figures are incorrect—that the mills in Delhi and Ahmedabad had been paying dividends of 12 per cent. 18 per cent and 31½ per cent and some even of 37½ per cent. Only one has paid 8 per cent and another has paid 7½ per cent: but there are cases of mills paying 40 per cent and 50 per cent: the Raipur Mill paid 50 per cent in the year 1931: (Interruption) I can give the whole list if my friend wants it:

Ahmedabad Cotton 20 per cent in six months.

Ahmedabad Industrial 11 per cent in six months,

Ahmedabad Jubilee 12½ per cent.

Ahmedabad Jupiter 9 per cent and 8½ per cent for ordinary and preference shares.

Ahmedabad Manufacturing and Calico 16·8 per cent.

Ahmedabad New Cotton 37½ per cent.

Ahmedabad Sarang 35 per cent.

Arodia 35 per cent.

Aruna 8 per cent.

Commercial 20 per cent.

Jehangir 16 per cent.

Raipur 50 per cent.

Sarangpur 40 per cent.

Vikram 7½ per cent.

Then, some mills in Delhi, with a capital of 20 lakhs, made a net profit in 1930 of Rs. 7,20,000, in 1931 of Rs. 11,22,000 and in 1932 of

Rs. 10,30,676—or more than fifty per cent. If mills in Delhi and Ahmedabad, without any additional protection which my friends from Bombay claim, can get dividends like this, are we not justified in thinking that there must be something rotten in their administration, something rotten in their management which is at the root of their ills, if it is really so? So, before that is fully scrutinised and before they can impress the people that it is necessary in the interests of the consumers that Japan should not be allowed to import cotton goods, but that we should give protection to them, so that Japan might be kept away, I beg to submit that unless they can convince us in the matter that these Bombay mills must be kept up, and unless they show us the necessity of doing so, I submit, we are not in a position to allow this Bill to be passed. With these few words, I oppose the consideration of the Bill.

**Sir Cowasji Jehangir:** Mr. President, at this very late hour, especially as the Honourable the Commerce Member will give a very full reply to the debate, I do not desire to take your time unnecessarily. Let me first candidly admit that I am personally interested in the mill industry. As far as my friend, Mr. Ghuznavi, is concerned—I see him fast asleep—now he has got up—his facts and figures have got about the same value and accuracy as those which he gave the Honourable House in connection with his attacks on the purchase of coal and colliery administration by the Railway Board and, when he began to make these exaggerated statements, my eyes went over the visitors' gallery to see if there were any Japanese present; there being none, I was convinced that his speech would be of very short duration, and I was quite correct. My Honourable friend sat down within five or six minutes. I do not desire to make any further remarks upon his speech, but I would like to point out that some of the statements made by my other Honourable friends were also rather exaggerated. It is true that many years ago the agents calculated their remuneration on outturn; but at the present time, in the City of Bombay, I really do not know of a single mill—there may be one or two of which I am not aware—which continue that system. It is now a question of getting a certain percentage of the profits.

**Mr. N. M. Joshi:** What about Ahmedabad?

**Sir Cowasji Jehangir:** I do not think there can be very many mills in that place either which charge commission on outturn. But when you get the Tariff Board's report, I am certain, you will be able to get facts and figures as to how many mills there are that charge according to this old system. As to whether the mill industry is making a profit or not or has been making undue profits or not, Government have merely to consult the Income-tax Department and they will have full facts and figures as to what income-tax they have been able to get from the mills in Bombay during the last few years. This is authentic information at the disposal of Government and it will take them a very short time to verify the facts of exaggerated profits made by some of my Honourable friends here. It is well known that the very best mills in Bombay today are making a loss: it is also well known that the Ahmedabad mills have got large stocks.

Now, having practically got the admission that the mill industry is in a bad way, I do not think any further arguments are required to prove this very sad state of affairs. But we were brought face to face with

[Sir Cowasji Jehangir.]

old arguments, arguments that have been raised on several occasions and legitimately raised now—the argument of what about the consumer? May I ask, what would have been the condition and the position of the consumer in India if there was not this textile industry in India today? If we were left to our fate, as some of our friends here desire we should be, and that there should be no protection, do you think, Mr. President, that Japan today would be selling its cloth at rock-bottom prices as it is doing? Do you think that if there was no protection given to the mill industry, the Japanese would be sending cloth to this country at the cost of cotton? It is because there are mills in India to compete, which continue to work today due to protection, that the consumer is getting the advantage of cloth at prices which are below cost. It is true that the consumer is less able to buy today than he was three or four years ago; but cloth, as Mr. Mitra pointed out, is a necessity of life and, therefore, whatever may be the reduction in their own incomes, they have got to buy a certain minimum quantity of cloth. It may be that they have to incur debt, but they have to buy it; and, if it was not for this protection, I venture to suggest that the Japanese within the last two or three years would have so ruined the Indian industry that today they would have been in a position to import cloth at two or three annas higher than they are doing. It is on account of this protection, I contend, that the prices of cloth have been kept at this very low level, at a level, I repeat, lower than cost. Sir, that is my answer to the argument that has been raised today with regard to the position of the consumer and to the advantages or disadvantages he derives from the protection that is sought to be extended only for the next seven months.

Then, Sir, my friend, Diwan Bahadur Ramaswami Mudaliar, raised a most important and interesting debate, but I would respectfully point out that to a certain extent it was irrelevant. We all readily admit that our interests, that is the interests of the textile industry, are identical with the interests of the producers of the raw commodity. It is in their prosperity that our prosperity lies. If the raw material obtains higher prices, the producers of raw material will be able to pay us a price for textiles which will leave us a little profit. If you ruin them, you will certainly ruin the textile industry of India, and, therefore, so far as that proposition goes, there is nobody in this House who will ever contest it; but if my friend, Diwan Bahadur Ramaswami Mudaliar, desired to argue that, on account of continuing this tariff, less cotton was being exported from the country or that this tariff affected the values of the raw commodities in India, I must respectfully point out that I do not see the connection. I can understand my friend complaining that the Indian mills have consumed less Indian cotton. He has shown that larger quantities of cotton have been imported into this country. May I explain why that was so? It was firstly due to the fact that a large number of mills began to produce cloth which had never been produced in India before. They have begun to produce a finer quality of cloth, for which cotton is not grown in this country, and, therefore, they had to buy the imported cotton. Nobody can contend that the millowners have not taken a real and genuine interest in the improvement of the staple of cotton. I do not think that my friends on the Treasury Benches will for one moment believe that millowners have impeded improvement in the quality of cotton. They have done their best to improve the staple

of cotton; it is in their interest to see that the quality of cotton is improved in this country. But, if, at the present moment, you cannot get cotton in order to spin the higher counts, is it an illegitimate thing for millowners to have used a certain amount of imported cotton? I will go a step further. Why was it, Mr. President, that figures for imported cotton jumped up within the last few months? It was on account of Japanese dumping, and I will show to the Honourable Members why it was so. On account of the Japanese dumping, the millowners, in order to compete, had to look round and produce other qualities. They could not compete with the Japanese stuff sent into this country, made most probably out of Indian cotton, and many mills, to my knowledge, went in for higher counts in order to find fresh fields for their productions and in order to compete against this dumping, within the last six or eight months or a year, many mills, who would never have dreamt of going to finer counts, were forced to do so. But suppose they had not done so, would they have continued to consume the Indian cotton? I venture to suggest that those looms would have been closed down on account of Japanese competition, and, instead of working on finer counts from imported cotton, they would have closed down the looms, they would have dispensed with the services of a larger number of their labourers than they have done today, and India would not have benefited at all; that cotton would have been surplus as it is today. That is the explanation, Mr. President, for the larger import of foreign cotton. No Indian millowner desires to produce goods, I am quite certain, for which he has not already a market amongst the millions of the people. As soon as you go on to fine counts, you run risks which you do not do for the coarser stuff. You do it when you are compelled to do it. If there are stocks of finer stuff, then a hundred per cent more money is locked up. If you fail to sell those stocks, then the losses are enormous. You can afford to keep stocks of coarse stuffs, because it costs less. You can afford to take risks with regard to depreciation in so far as coarse stuff is concerned, but you cannot afford to take those risks with regard to finer stuff and, therefore, the mill industry as a whole will not go in for finer stuff if it can get a ready market for coarse stuff. But if Japan is allowed to come into this country and knock out the market that the Indian mills have built up for themselves within the last 80 years, then it is not for Honourable Members to complain that we come here and ask for protection. These are some of the circumstances which have come into existence due to no fault of the textile trade. And, after all, what the Honourable Member has asked us is an extension of the protection for seven months until he is in a position to investigate the matter further, and, when he does investigate the matter further, and if he will only rely upon facts and not upon sentiment such as we have heard today, I venture to suggest he will come to the conclusion that not only is an extension of this protection well deserved, but that, if this country is to be saved, if the consumer is to be saved in the near future, a greater protection will have to be given. I do again emphasise the point that a great deal of our trouble is due to the low prices of the raw commodity, because it is millions who produce it; it is they who buy the goods that the textile industry turns out in India. And if those millions are badly off, if they are on the verge of starvation, if they are not able to buy their usual quantity of cloth, I for one feel some satisfaction that the industry is making a loss at a time when the people of this country can least afford to pay higher prices for cloth; if

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is at a time when the agriculturist is on the verge of starvation; and we, I mean those who are interested in the textile industry, will have to put up, for a short time, with a loss. If this loss had occurred at a time when agriculture was thriving, our complaint would have been much stronger, but I wish to look forward for just a few months hence when agriculture will recover, and if this question of competition is not dealt with now, the Japanese will get all the advantage of improved conditions in India, and the mill industry will be in the same rotten position in which it finds itself today. Surely, my friends here do not desire that if the condition of the agriculturist improves, as we all hope, hope and pray it will, that the advantage should go to Japan. Surely, if they are able to buy cloth, let it be Indian cloth. I am looking forward to that day, and I trust that my Honourable friends opposite will see to it that when agriculture improves, they will buy Indian cloth and no other cloth. I will be with them to see that as long as agriculture does not improve and the millions are on the verge of starvation, the mill industry shall charge its bare cost. I am prepared for that. But I do look for better times and if I do not look for better times and if this Honourable House does not look for better times, then they must be prepared to see the textile industry in this country wiped out.

Mr. President, a good many remarks have been made in this Honourable House which I have no desire to reply to. It is a late hour. We are anxious to hear my Honourable friend, the Commerce Member. Therefore, let us not be accused as we were by Mr. Ghuznavi today that because we are not able to reply to all the false accusations that are made, therefore, we admit them. My Honourable friend, Mr. Ghuznavi, said that we were in the House when he made startling accusations against the mill industry two or three years ago and that they were not contradicted and, therefore, he takes them for facts which are correct. I do desire to protect myself against such an accusation in the future, simply because I do not wish to waste the time of this House in answering accusations which are on the face of them false and incorrect.

**The Honourable Sir Joseph Bhoré:** The trend of the debate today seems to show that the House or a certain section of it is torn or is beginning to be torn between two loyalties, loyalty to the idea of protection and loyalty to the consumer's interest. I confess that I am unable to follow clearly the resultant of these two contending emotions. But I am quite sure that all Honourable Members themselves have not made up their minds as to the exact extent to which they would go either in the interests of the consumer or in the interests of the producer. I venture to think that the safest guide is still that which the Government of India have always steadily pursued, namely, a policy of discriminating protection, —a policy that has been endorsed by this House and a policy to which we are committed until this House deliberately modifies or sets it aside in favour of some other policy. (Hear, hear.)

Now, Sir, I would like to repeat what I have already said, that this, to my mind, is not the occasion for a discussion of the merits of the case for protection of the Indian cotton textile industry. I could not possibly deal here and now with questions of principle or policy without referring either directly or indirectly to the report of the recommendations of the Tariff Board, and the House will, I am sure, realise that I am precluded from doing that. I am sure they will, therefore, not expect me to go

into the merits of the case. I would, however, like to refer quite briefly to an aspect which may be causing some uneasiness to certain minds, uneasiness indeed which has been reflected in more than one speech that has been made today. This matter that I am going to refer to has already been touched upon by my Honourable friend, Mr. Mody, but perhaps the House would like to have information from a less interested source. (Laughter.) I think, Sir, a very natural question which arises in the mind of the ordinary person in the street is this. Have these continuous increases in import duties not really put up prices to the consumer? That I think is a perfectly legitimate apprehension, and I confess that it was an apprehension that exercised me and made me ask for certain figures. Now, Sir, I do not wish to go at great length into statistics, but I will only take the case of grey unbleached goods which are speaking generally the cheapest classes of goods; and I will give the House the quotations of Bombay mill-made goods in respect of these over some period of time. Take the case of shirtings. In January, 1930, the quotations for grey shirtings unbleached were 0-13-9 pies per lb. In March, 1932, the quotations had fallen to 0-11-3 pies, and in January, 1933, they had still further fallen to ten annas. Take drills. In January, 1930, the price was 0-12-3 pies per lb., in March it had fallen to 0-9-3 pies; and in January, 1933, to 0-8-6 pies per lb. Take the articles known as "domestics". In January, 1930, this was 0-14-3 pies per lb., in March, 1932, it had fallen to 12 annas, and in January, 1933, to 10 annas. Now, Sir, I quite admit that we must take the fullest account of the general fall in prices, but the figures that I have given are, I think, of some significance. I shall no doubt have to refer to this subject in greater detail when we take up the question of the protection for the industry itself, but I thought, Sir, that a passing reference at this stage might help to allay unnecessary apprehension.

My Honourable friend, Mr. Ramaswami Mudaliar, sounded a well-timed note of warning in regard to the condition of the producers of raw material in this country. I can only say that it is a full appreciation of the complicated issues involved that has so far kept us again and again from taking hasty action. I would point out to him, however, that when we were considering the Ottawa Agreement, it was brought out very forcibly that the interests of the primary producer were being placed in the forefront, and I hope that through the efforts of the Imperial Council of Agricultural Research, acting in conjunction with the provincial Departments of Agriculture, the fullest advantage will be taken of the new openings for our primary products which have been made for the agriculturists by the Ottawa Agreement.

My Honourable friend, Mr. Ghuznavi, complained that he and the people of Bengal had been bled white by the exactions which have been imposed upon this country by the Bombay millowners. Well, Sir, I confess that I can see no signs of anæmia (Laughter), either pernicious or benign, either in his own person or in those of the representatives of Bengal in this House (Laughter), judging by the vigour of the speeches which they are on all occasions ready to make. I would, however, try to remove a misapprehension to which my Honourable friend gave currency. He said that we were always listening to the millowners of Bombay. Allow me to tell him that the telegrams that I have been receiving and which incidentally have been swelling the receipts of my Honourable colleague who sits to my right, have come from every part of India, from Bengal not least of all. My Honourable friend, Mr. Joshi,

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understand the argument to be that as stated by the Noyce Committee report the quality of the cloth must improve, finer counts must be used in the production of cloth, and, as India does not produce that long staple cotton which is required for this purpose, the millowners are justified in going into other markets and getting either Egyptian or Kenyan or American cotton. It may be so; but when you are suggesting that your industries are national industries, and that they require protection and when, on an examination of this, we find that your machinery is brought from outside, your cotton is brought from outside and what you merely do is to employ a few industrial labour hands to turn out cloths, well, the claim of that industry to be called national becomes less and less justified. I do not suggest that any large quantity of raw cotton is being used at the present moment. As I have said, my purpose this evening is to sound a note of warning with reference to tendencies developing, to point out the danger lying ahead which millowners must not neglect if they want to continue to have the sympathy either of this House or of the wider public. Let me take the import of raw cotton into this country. In 1929, we imported a quantity of 3 crores and 90 lakhs. In 1930, it was 3 crores and 42 lakhs.

Sir Leslie Hudson (Bombay: European): Is that value or weight?

Diwan Bahadur A. Ramaswami Mudaliar: I am talking of value. I will come to weight later. In 1931, it went up to 638 lakhs. In 1932, it went up to 733 lakhs, and, for the eleven months of 1933, it went up to 635 lakhs—imported raw cotton. From the United States of America alone, in 1929, you imported 137 lakhs, in 1930, 19 lakhs, in 1931, you imported 72 lakhs, in 1932, 198 lakhs and, in the 11 months of 1932-33, you imported 3.41 crores worth of cotton. I ask myself whether all that cotton is really of the long staple variety, whether much of it is not of the ordinary variety which you have imported merely because the price of the United States cotton is much less than the cotton produced in this country. I do not blame the millowners for that purpose. I turn to my friend, the Honourable the Commerce Member, and I ask him, is it fair that because deputations do not wait and bring home these questions before you of the position of the raw products of this country, therefore their position should be neglected altogether? There is, I know, an import duty of six pias per pound of raw cotton. I am not asking that that import duty should be immediately raised, but I say that Tariff Boards are looking only at one aspect of the question and they are completely neglecting the other aspect of the question. Has any question relating to raw products been referred to the Tariff Board during the last eight or nine years that it has been in existence? My Honourable friend will refer to wheat. I shall have my observations to make when that Bill comes up for consideration before this House and I shall try to show that the import duty laid on that has been of little significance to the producer of wheat.

There is another point I should like to explain. A great deal has been said about depreciated and depreciating currency. I do not wish to make any distinction for the purpose of the present argument. It is perfectly true that Japanese currency has depreciated and perhaps it is still depreciating. Their goods are dumped into this country but when

you realise that your raw cotton is being sold to Japan, what is the position of the producer of raw cotton? Have you considered the effect on the producer of a depreciated and depreciating currency? Are you thinking of a bounty being given to the grower of cotton, because the quantity that he exports to Japan produces much less price owing to the depreciated currency than otherwise he would get? The Statement of Objects and Reasons says that owing to the unfair competition arising from the prevalence of unfair labour conditions in China, this Bill has been necessitated:

I take the producer of another raw material, Rice. I find that rice has to be exported to China in very large quantities and I find that during the 11 months of this year, one crore and 68 lakhs worth of rice has been exported. We know that internal prices can never adjust themselves and the price level can never be reached unless we are in a position to export our surplus raw produce to other countries. Now, the value of goods that come from China is about 71 lakhs in the same period, so that we have really a favourable balance, because we are able to sell rice and other things to China. What will become of our sale if we are going to put embargo after embargo on the import into this country of products from China or from Japan or from various other countries?

Now, Sir, the Finance Member speaks of a proper balance of trade. A proper balance of trade can be arrived at in two ways, by restricting the imports into the country and also by encouraging exports from this country. It is perfectly true that a Tariff Bill like this will put a restriction on imports, but what is the reaction on exports and that is what I should like the Honourable the Commerce Member to address himself to. How will it affect the exports of this country if this prohibition is to be applied? My friend, Sir Leslie Hudson, the other day talked of depreciating currency and wanted some sort of restriction by way of tariffs evidently to protect India from the dumping due to depreciated currency. What will be the effect on exports from this country of jute, raw cotton, rice, hides and skins, tea and coffee and various other things? We are not exporting all these things to the United Kingdom or the British Empire alone. If we examine the trade returns, we find that at least half of our exports go to foreign countries,—slightly more than half of our exports. With reference to many of these countries, our trade balance is almost exact. We import from those countries almost as much as we export to them. In fact with reference to several countries our export balance is on the right side.

Mr. H. P. Mody: As my friend is developing this argument, might I point out to him that irrespective of any curtailment of Japanese imports of cotton goods or any other kind of goods into this country, Japan imposed a few months ago by one stroke as much as 250 per cent. more duty on pig iron than before and that Japan's action is irrespective of any action taken in this country, in other words Japan does exactly what suits her interest.

Diwan Bahadur A. Ramaswami Mudaliar: I am only suggesting that my country should do exactly what suits her interests. But I am not confining that interest to any particular industry or any particular phase of industrial life in this country. I want the Honourable the Commerce Member to examine both sides of the question. I started by saying that this is one of the aspects of the question which has not been presented either by petitions or on the floor of this House in the way I should like

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it to be done. I want him to realise that there is a difficulty with reference to the export of our products. India is an agricultural country and for as long as we can look ahead it will continue to be an agricultural country and our price level of agricultural products is mainly dependant on the export from this country. Therefore, my suggestion is that before you put these tariffs and before you revise these tariffs either on the ground that there is a depreciated currency or owing to other reasons, you have to consider how it will react on the export of raw materials to the various countries. Now, up to the end of March, 1931-32, our exports to various countries were greater than our imports. We exported to Germany in the last official year 10.27 crores, whereas we imported from Germany 10.18 crores. To Netherlands we exported 5.9 crores as against imports of 2.4 crores; to Belgium we exported 4.45 crores as against an import of 3.1; to France we exported 7.63 crores as against an import of 2.17; to Italy we exported 5.41 crores as against an import of 3.58; to China we exported 7.79 crores as against 2.78 crores. Even to Japan we exported 13.94 crores as against an import of 13.32 crores, a favourable balance again with respect to that country. To the United States of America, we exported 13.86 crores as against an import of 12.83 crores. Therefore, it seems to me that we must realise the danger that lies ahead when we raise these tariffs in such a way as to prohibit imports from particular countries without having properly taken care of the fact that our exports may similarly be penalised. I shall not deal with the question of the depreciated currency. My Honourable friend, Mr. Raju, has already dwelt on that point.

It is obvious that you cannot have discrimination against Japan alone. Knowing the conditions that prevail in Japan, knowing the prices at which Japanese goods are sold in this country, I would be the first to agree to any such discriminating tariff against Japan. When Japan buys our raw cotton, takes it away in her steamships, manufactures it into goods there, brings it back in the same steamship and sells it below the price of the raw cotton itself, then I think there is something very much wrong in the state of industry in Japan and it is time that we protected ourselves against it. I have no quarrel at all with anybody if you can confine your discriminating policy against a country which, by some mysterious processes which no industrialist has so far been able to explain, is able to sell manufactured goods below the cost of the raw produce itself. But I sound a note of warning when that policy will involve other countries with which we need not be in an economic war, countries with which we have no grievance and countries which we must bring in because by some trade convention we are in the meshes of a difficult net out of which we cannot escape. Sir, my friend referred to the Anglo-Japanese Convention made in 1911-12 (Mr. H. P. Mody: "In 1905 I think")—I think it was renewed in 1911—whereby Great Britain made a treaty with Japan and included India in it. It did not include its colonies, at any rate that is my recollection. That treaty continues to be in existence and it can only be denounced by 12 months' notice being given to the Japanese nation. If it could be done and if 12 months' notice could be immediately given, so that we can get out of this Japanese thralldom, I would be very happy and we should then only have the straightforward task of penalizing Japanese dumping into our country. But because we want to penalize Japanese dumping, if we are going to involve Belgium, the Netherlands, the United

States, Africa and Italy in the scope of a comprehensive Bill, it would not be proper and I must sound a note of warning, on behalf of the producers of raw cotton in this country, and on behalf of those who produce goods which are of value only because they are sold outside.

Take one very common agricultural product, groundnuts. The trade returns show that groundnuts are sold mainly, almost entirely, in the continental countries of Europe. If you are going to bring in all these countries into the scope of this anti-dumping Bill, what will be the future of the groundnut trade? Already we hear whispers of Germany trying to think of some synthetic processes by which groundnuts may be displaced for the purpose of the extraction of oils. What will become of the agriculturist, of the condition of whom you, Mr. President, are better aware than most of us here—those millions of people in the Madras Presidency who for their very existence depend upon the groundnut trade? They have abandoned rice cultivation, because that is not paying now and they have taken to groundnut cultivation in those areas which used to produce the paddy before. What will become of them if the groundnut markets are lost; and I want the Honourable the Commerce Member—and I am sure he is already thinking of this question—to bestow a little more attention on this aspect of the case so that the producer of raw materials may have an opportunity of presenting his case and of having his case considered, and whether by a tariff policy, which may be necessary in some cases, or whether by the removal of excise duties, which may be necessary in other cases, or by the arrangement of marketing facilities abroad, we might be able to secure his proper and just share in the economic polity of this country. That is all I plead for. Sir, I shall satisfy myself by playing the part of the Laputan flapper who said to his royal master: "It is time that your attention is drawn to this subject also". Sir, the Treasury Benches are so far away from us, and are so majestic in outlook, that I will content myself like the Laputan flapper with sounding a note of warning in all humility on behalf of our raw producers to take their case into consideration and to have some consideration shown to them; and, Sir, if I succeed, I shall have done my duty. (Loud Applause.)

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, I assure my Honourable friends in this House that although I come from Bombay, I have absolutely no responsibility for the management of the Bombay textile industry. (Laughter.) Sir, that the condition of the textile industry in our country is bad at present is undoubted. It is also an undoubted fact that on account of dumping which Japan has been practising, the industry in our country requires protection. Mr. President, I am not one of those people who think that in the interests of the consumers we should refrain from protecting our industries in this country. (Hear, hear.) If the whole world had been following the principle of free trade, I would certainly have recommended free trade for our country also, but so long as the world is not following free trade, it is wrong to expect one country to follow that policy. Moreover, in the interests of the whole country, it is absolutely necessary that there should be a proper balance between agriculture and the other industries in our country. We cannot be content with being a country mainly producing raw materials. Along with the raw produce, we must also take every possible step to develop our manufactures. Looking at the question from that point of view, I believe it is necessary, in the present state of industrial development in our



[Mr. N. M. Joshi.]  
country, that we should do everything in our power to develop our manufactures. But, Mr. President, I am one of those people who think that by merely increasing our import duties we shall not succeed in developing our industries. Let us look at the history of the protective measures in our country. Whenever a protective measure has been introduced, every time it was assumed that that measure was only intended for a very short time. Have we ever heard of any measure of protection having been withdrawn? Not only in our country has this never been done, but it has never been done in any other country in the world. If you once start protecting an industry by the imposition of import duties, that industry will require protection for ever and ever. I, therefore, feel, Mr. President, that if we depend upon mere import duties for protecting an industry, that protection will be required to be given for all the time to come. I think, therefore, that the Government of India should not remain content by merely increasing the import duties: the Government of India must seriously tackle the whole problem of industrial development. The Government of India must try to control not only one industry, but all industries. My Honourable friend, Mr. Ramaswami Mudaliar, has pointed out that if you try to protect one industry, other industries will be hit. That is quite possible. Therefore, there must be a co-ordinated policy for the protection of industries of the country. Not only, therefore, should we make efforts on behalf of the protection of one industry in the country, but we must also try to remember that when we try to develop one industry, such as the textile industry, the other industries should also be helped to develop *pari passu*.

My Honourable friend, Mr. Mody, stated that the millowners of Bombay have done everything possible in their power to encourage the growth of finer cotton. He did not perhaps quite say that, but he stated that they have done nothing to discourage the growth of finer cotton in this country. But it is not enough that they have done nothing to discourage the growth of finer cotton. Our industries, with the help of the Government, must do everything possible to develop the subsidiary industries including the production of raw materials. Leaving aside cotton, may I ask, what we have done to develop the industries required for the mill stores? We have been purchasing crores and crores worth of mill stores for more than 50 years, and have we done anything to develop those industries and produce our own mill stores? We have done nothing. The question of making the machinery required for the textile industry is also not tackled. If we do not take steps to develop these subsidiary industries, the country, as a whole, will not gain much by raising the import duties in order that one industry should be protected. I, therefore, appeal to this House to consider, whenever a protective measure is introduced, whether it is not possible for us to adopt a much broader, a much bolder and a much better co-ordinated policy for protecting our industries instead of trying to protect an industry by merely increasing the import duties on certain articles.

Then, Mr. President, my Honourable friend, Mr. Mody, also stated that the millowners of Bombay have done everything possible for the re-organisation of the industry. I do not know what the mill industry has done for its re-organisation, but I know one thing, namely, that some millowners in Bombay had interested themselves in making a scheme for the re-organisation of that industry. I would like to know from my friend, Mr. Mody, whether the millowners in Bombay adopted that scheme. I

am not suggesting that that scheme was a perfect scheme, but even that scheme, defective as it might have been, was not adopted by the millowners of Bombay. Here, Mr. President, I feel that it is the duty of the Government of India, when they try to increase the duties on certain articles by way of protection, to see that the industry takes every step possible for its reorganisation, if that reorganisation is necessary for the efficient condition of that industry. I think nothing has been done so far in that direction. I would also like to urge upon this House another consideration. When we try to protect an industry, we certainly do not mean to protect the interests of shareholders alone. We mean that all those who are engaged in that industry will be protected. From that point of view I would like to ask the Government of India what they propose to do to protect the workers engaged in the textile industry in our country. We are increasing the import duties in order that the shareholders' interests should be protected. May I ask, Mr. President, whether we are going to take any steps for protecting the interests of the working classes? Only a few days ago, I put a question to the Honourable Member-in-charge of the Department of Industries and Labour, when he proposed to introduce a Bill for reducing the hours of work in Indian Factories. I did not get a satisfactory reply from the Honourable Member. I ask him again now, when do the Government propose to introduce a measure for reducing the hours of work in the textile industry and in the factories in our country? This is the time when the Government of India can put pressure upon the factory owners and the employers in our country. When they are thinking of increasing the import duties and giving protection to an industry, it is then that the Government of India can certainly ask the industry whether they are willing to reduce the hours of work or not. If the Government of India will not bargain at such a time, when will they bargain with the employers in this country? Mr. President, my Honourable friend, Mr. Mody, said that the wages in Bombay were higher although the prices had gone down. I do not wish to go into the details of this question. But I can say this that the condition of the workers in the industry in Bombay is worse than the conditions obtained anywhere else in the world. You take any civilized and advanced country . . . . .

**Diwan Bahadur A. Ramaswami Mudaliar:** Including Japan.

**Mr. N. M. Joshi:** I am coming to Japan. You take any advanced and civilized country in the world and you will find that conditions in India are much worse, many times worse than the conditions in those countries. What is necessary in India is to improve the conditions and not to allow these conditions to be worsened. I would, therefore, suggest to the Government of India that when they bring forward proposals for protecting an industry, they should take steps to see that not only the conditions in that industry will not be worsened, but steps will be taken by the employers in that industry to improve the conditions from day to day. Take the question of unemployment. It is true that the condition of the industry is bad; conditions are bad; there is depression all over the world. But in the civilized countries of the world they have taken steps to see that people will not suffer very much on account of unemployment. The question which I would like to ask of this House is: What have we done to relieve the distress of unemployment in our country? The millowners to relieve the distress of unemployment in our country? The millowners in Bombay are threatening to shut down their mills. What are the poor workers to do under those conditions? The millowners some times issue



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notices for shutting down their mills, not as a measure of economic necessity, but in order to reduce the wages of the workers. Under these circumstances, the workers in the industry require protection from Government and from this Legislature. I would like to know what this House proposes to do in that direction and what the millowners propose to do for the relief of the unemployed. Only recently I read in papers and my friend, Mr. Mody, endorsed the fact that the millowners in Ahmedabad have already issued notices for the reduction of wages . . . . .

**Mr. H. P. Mody:** When did I say that?

**Mr. N. M. Joshi:** You yourself stated that the wages are being reduced in Ahmedabad.

**Mr. H. P. Mody:** I said nothing of the sort. I was merely referring to a newspaper report in which it was stated that in Ahmedabad some people were thinking of going on short time and also of reducing wages to a certain extent. I was referring merely to a newspaper report.

**Mr. N. M. Joshi:** My Honourable friend, Mr. Mody, says that he was only referring to a newspaper report, but I know that not only in Ahmedabad, but almost in every textile centre, attempts are being made for the reduction of wages. Take Bombay itself. It is true that the millowners in an organised effort have not yet attempted to reduce the wages. But unfortunately for the millowners of Bombay, although they have a Millowners Association, I am quite sure, even my friend, Mr. Mody, will not contradict me when I say that they are not a very much organised body. Moreover, it pays them sometimes to reduce the wages not by an organised effort, but by individual efforts. That is what is happening in Bombay. Every mill is trying to reduce the wages individually. They take advantage of the fact that there is unemployment in the city and try to reduce the wages. Wages in Bombay are being reduced from month to month. All this must be put a stop to if all the interests, which are involved in an industry, are to be protected by means of protective measures.

Mr. President, reference has been made several times in this House that, on account of bad working conditions in Japan and in China, we are unable to improve conditions in our country. The Statement of Objects and Reasons of this Bill states that on account of bad working conditions in China, protection is necessary for the Indian industry. Now, what I would like this House to consider is whether we have really got sufficient material to state that conditions in China are worse than conditions in India? Have we really got good material to state that conditions in Japan are worse than conditions in India? I am not myself prepared to make any statement to the effect that conditions in Japan and China are worse than conditions in India. As a matter of fact my own information is that the hours of work generally in Japan are today shorter than the hours of work in India. My own information is that the wages in Japan today are higher than the wages in India. (Some Honourable Members: "No.") There are

4 P. M. Members who say, no. I would like them to place before this House authoritative facts. And, therefore, my point is this, that if there is a feeling in our country that conditions in Japan and in

China are worse than the conditions in India, the first thing to do is that we should get correct information from those countries about those conditions.

**Mr. F. E. James** (Madras: European): Sir, may I suggest to my Honourable friend that he will find all the information he wants in two recent reports in the office of the International Labour Organisation?

**Mr. N. M. Joshi:** Sir, I have certainly seen the reports which the International Labour Office publishes. But in spite of those reports can any one here state that we shall agree as to the facts of this question? I have read several books; I generally make it a point to read books about conditions in Japan and China. And still a doubt is always left in our minds that, after all, the conditions in Japan may not be worse than the conditions in India. I, therefore, suggest to the Government of India that they should try to send the Tariff Board or any other delegation to Japan to inquire into the conditions prevailing there. Then, Sir, I shall not be satisfied even with that. After all, what is the use of collecting information from different countries unless we make an effort to come to an understanding with those countries? If we merely increase our tariffs, because the conditions in China and Japan are worse, we shall have to go on doing that till eternity and there will be no improvement in our own conditions. What is absolutely necessary is that there should be a co-ordinated and concerted international effort in this direction and for that purpose. Sir, you will remember that the workers' delegates at the International Labour Conference have been making a great effort that there should be a Labour Conference in Asia. We have tried our very best to get an international labour organisation to call a Conference; and who is standing in the way of that Conference? One of the Governments that stands in the way of such a Conference is the Government of India. If we really want that there should be common standards of working conditions in Japan, China and India, the best course is not that we should abuse each other, but we should make a common effort to improve the conditions, to level up the conditions in these different countries. And I shall suggest to the Government of India that they should give up their policy of standing in the way of a Conference between the countries in Asia for discussing labour conditions and seeing how those conditions should be improved. An effort in this direction is necessary in order that there should be an improvement throughout the countries and one country should not drag down other countries standing in the way of progress.

Sir, I have no more to say on this Bill, but there is one more point. It has been stated that the wages in our country are higher than the prices and we make statements about wages and prices and we are never able to find out what the truth is. Now, some years ago, the Government of Bombay introduced a Bill for the collection of statistics from different industries. If we are able to collect statistics by means of a statute, we shall be in a much better condition to judge what the real facts are. But, Sir, do you know why the Bill was dropped by the Government of Bombay? It was dropped on account of the opposition of the representatives of the Millowners' Association. I do not know, Sir, why the millowners of Bombay should be afraid of the collection of statistics if the conditions in Bombay are really very good.

**Mr. H. P. Mody:** If you knew your business, you would be afraid, not we.

**Mr. N. M. Joshi:** Whether I know my business or not, I am not against truth being found and discovered. It is the representatives of the millowners of Bombay and the Indian Chambers of Commerce in Bombay who opposed the Bill for the collection of statistics in Bombay. Sir, I, therefore, suggest to the Government of India that they should, without any delay, bring forward a measure for the collection of industrial statistics, so that whenever we discuss measures of this kind, we shall be better able to discuss these questions and we shall have better facts upon which we can debate.

**Mr. Amar Nath Dutt:** Sir, I was listening to the lengthy debates in this House for nearly four hours or more. During this time I was surprised to find that before the representatives of the people the skeleton in the feast was not present, save and except before two Honourable Members from Madras and one from Bengal. Neither the Government nor the so-called representatives of the people ever attempted to remedy the wrongs and to alleviate the miseries of the poor agriculturists of this country who need more aid at the present moment, not only from the Government, but from their countrymen like Sir Cowasji Jehangir and Mr. Mody also. But, Sir, the vision of a starving Mody and Jehangir only was before the House and the discussion was how to relieve the distress of the millowners of the Bombay Presidency. I am not one of those who would charge the Honourable the Commerce Member as my friend over there did when he said that he had no sympathy for Bengal industries. On the other hand, I know that he has been trying to revive the small industries of my province. But, Sir, the one thing that pains me more than anything else is that much of our activities and much of our attempts are spent in trying to give more to those who have more and to take away as much as possible from those who have less. Sir, 90 per cent of the people of this country are agriculturists and the income of many of us, landholders as well as (A Voice: "Lawyers") yes,—lawyers also depends upon the agriculturists. These landholders and lawyers who come here have a sacred duty to protect the poor agriculturists. But they have not up till now been able to attract the sympathy of the Honourable the Commerce Member or of the Honourable Member for Agriculture, who is not here now. At the same time, I hope these words may reach him. Even when we ask for an inquiry into the condition of these agriculturists, that is denied to us by the Government of which he forms a part. But when the millowners of Bombay come before Government, at once the Honourable Members of Government frame a Bill which is introduced and taken into consideration and an attempt is made to pass it on the very same day. Sir, I wish at least some portion of this enthusiasm had been shown for the relief of the agriculturists whom my friend over there also represents, I mean my Honourable friend, Captain Lal Chand.

Now, as regards the present Bill that we are considering, it is nothing but an attempt to extend the provisions of a Bill which was first introduced for three years and extended for another three years. I was surprised—I do not find my Honourable friend from Orissa in the House, who has achieved a great feat in having his agriculturist province separated from Bihar, he is not here—but I was surprised when I found him, as he admitted, in the same bed with Mr. Mody. They are strange bed fellows

indeed. If I know him right, I am sure that he said only three years ago when the protection was being extended for another three years in this very House. Sir, then he opposed this extension. I beg to submit before this House that, in attempting to extend this Bill for another seven months,—and the reason given here is that an enquiry has already been held, but the Government have not been able to come to a decision with regard to the necessary steps to meet the situation which will arise when the Cotton Textile Industry (Protection) Act, 1930, expires,—is not this coming to a decision, i.e., at least to extend for some time the provisions of the Bill which was passed in the face of opposition from the representatives of the people? I submit that it appears to us that when a wrong has been perpetrated over a weaker section of the community, it is impossible for them to have that wrong redressed. In this way the Government are, it appears to me, perpetrating the wrong for three years and they see how it works for three years, then again another three years, and after all a case has been made out or attempted to have been made out that the Bombay millowners are not getting their dividends and that the mill industry in Bombay is suffering, but what is the reason, I ask, before we give any further extension to this protective Bill? I think we ought to try to know what is at the root of the difficulties of these Bombay millowners. Sir, I was reading a book named "Investors Indian Year Book for 1931-32", and, in a review at page 137, I find the following words:

"It is rather remarkable that the only cotton weaving mills in India which do not seem to compete successfully with Japan are certain of those situated in Bombay".

The Bombay Presidency, of course, has its own picture. Labour is expensive and troublesome there. For that they must thank my friend, Mr. Joshi, who comes from Bombay. But, Sir, I draw your special attention to this, so that these people may understand and one cannot but feel that there is something radically wrong somewhere—perhaps either with their management or method—when year after year their trading results are so poor. I will not charge the Honourable Members with having spent nine months in Paris or having spent money over gold tipped cigarettes and other luxuries, but, at the same time, I must protest against inefficient management of industries and then attempting to tax the poor people. My Honourable friend, Mr. Ghuznavi, has already given you a picture of what our Bombay millowners and our Bombay philanthropists did at the time of the Swadeshi agitation in Bengal in the year 1905. Taking advantage of the extremely sentimental and patriotic nature of the Bengalees, our Bombay friends made a profit or rather got dividend to the extent of 300 per cent. or 400 per cent at the expense of the patriotism of ill-advised Bengalees. Sir, we shall not forget those days.

My Honourable friend, Mr. Joshi, representative of labour in India has taken up the cause of only industrial labour, but I have never found him speaking about the poor agriculturists and agricultural labour, who form the bulk of the labour population in India. Labour propagandists try to influence the capitalists with the object of raising the wages of the labourers. I am not one of those who try to come down upon the capitalists and to raise the price of labour, say from Rs. 20 or Rs. 25 a month to Rs. 100 or Rs. 150, and see that the graduates only get Rs. 20 or Rs. 30 a month. I remember during the enquiry of the Retrenchment Committee the family budget of a postal peon was shown to be nearly a hundred rupees and the price of a sari of the wife of a postal peon was

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shown as Rs. 5, and a member of the Committee at once said that his wife never wears a *sari* as costly as that. That is the idea with which my friend, with his Geneva ideals, wishes to improve the condition of the labour. If, Sir, Europe does give us literature and history, it has brought certain other evils along with it and this labour propaganda is one of them, and I am not one of those who will stand with him in this matter, but at the same time I would ask him to be more patriotic, to go to the villages and fight the cause of the agriculturists. I should not be misunderstood to be supporting the attempt by this Bill to inflict further loss upon the consumers, the agriculturists who have to buy cloth. Sir, the price of cloth has been given by my friend, Mr. Mody, and that it is at the present moment less than what it was in pre-war days. But would he care to remember what is the price of the agricultural produce at the present moment? So far as Bengal is concerned, I may tell you that it is one-third of what it was in the pre-war days. Rice is selling at twelve annas a maund while it was more than Rs. 3 in the pre-war days. That being so, Sir, two maunds of paddy will bring a cloth for the agriculturist at the present moment, but if further embargo is put upon import of clothes from Japan, I think they will raise the price of cotton textile and the poor consumers will have to pay the price, and, as for the loss, I am one of those who are willing to give protection to the extent which will not injuriously affect the poor agriculturist and also save our industries. I am not against it, but, at the same time, certain figures have been handed over to me from which it is apparent—and I challenge my friend, Mr. Mody, to contradict that these figures are incorrect—that the mills in Delhi and Ahmedabad had been paying dividends of 12 per cent. 18 per cent and 31½ per cent and some even of 37½ per cent. Only one has paid 8 per cent and another has paid 7½ per cent: but there are cases of mills paying 40 per cent and 50 per cent: the Raipur Mill paid 50 per cent in the year 1931: (Interruption) I can give the whole list if my friend wants it:

Ahmedabad Cotton 20 per cent in six months.

Ahmedabad Industrial 11 per cent in six months,

Ahmedabad Jubilee 12½ per cent.

Ahmedabad Jupiter 9 per cent and 8½ per cent for ordinary and preference shares.

Ahmedabad Manufacturing and Calico 16·8 per cent.

Ahmedabad New Cotton 37½ per cent.

Ahmedabad Sarang 35 per cent.

Arodia 35 per cent.

Aruna 8 per cent.

Commercial 20 per cent.

Jehangir 16 per cent.

Raipur 50 per cent.

Sarangpur 40 per cent.

Vikram 7½ per cent.

Then, some mills in Delhi, with a capital of 20 lakhs, made a net profit in 1930 of Rs. 7,20,000, in 1931 of Rs. 11,22,000 and in 1932 of

Rs. 10,30,676—or more than fifty per cent. If mills in Delhi and Ahmedabad, without any additional protection which my friends from Bombay claim, can get dividends like this, are we not justified in thinking that there must be something rotten in their administration, something rotten in their management which is at the root of their ills, if it is really so? So, before that is fully scrutinised and before they can impress the people that it is necessary in the interests of the consumers that Japan should not be allowed to import cotton goods, but that we should give protection to them, so that Japan might be kept away, I beg to submit that unless they can convince us in the matter that these Bombay mills must be kept up, and unless they show us the necessity of doing so, I submit, we are not in a position to allow this Bill to be passed. With these few words, I oppose the consideration of the Bill.

**Sir Cowasji Jehangir:** Mr. President, at this very late hour, especially as the Honourable the Commerce Member will give a very full reply to the debate, I do not desire to take your time unnecessarily. Let me first candidly admit that I am personally interested in the mill industry. As far as my friend, Mr. Ghuznavi, is concerned—I see him fast asleep—now he has got up—his facts and figures have got about the same value and accuracy as those which he gave the Honourable House in connection with his attacks on the purchase of coal and colliery administration by the Railway Board and, when he began to make these exaggerated statements, my eyes went over the visitors' gallery to see if there were any Japanese present; there being none, I was convinced that his speech would be of very short duration, and I was quite correct. My Honourable friend sat down within five or six minutes. I do not desire to make any further remarks upon his speech, but I would like to point out that some of the statements made by my other Honourable friends were also rather exaggerated. It is true that many years ago the agents calculated their remuneration on outturn; but at the present time, in the City of Bombay, I really do not know of a single mill—there may be one or two of which I am not aware—which continue that system. It is now a question of getting a certain percentage of the profits.

**Mr. N. M. Joshi:** What about Ahmedabad?

**Sir Cowasji Jehangir:** I do not think there can be very many mills in that place either which charge commission on outturn. But when you get the Tariff Board's report, I am certain, you will be able to get facts and figures as to how many mills there are that charge according to this old system. As to whether the mill industry is making a profit or not or has been making undue profits or not, Government have merely to consult the Income-tax Department and they will have full facts and figures as to what income-tax they have been able to get from the mills in Bombay during the last few years. This is authentic information at the disposal of Government and it will take them a very short time to verify the facts of exaggerated profits made by some of my Honourable friends here. It is well known that the very best mills in Bombay today are making a loss: it is also well known that the Ahmedabad mills have got large stocks.

Now, having practically got the admission that the mill industry is in a bad way, I do not think any further arguments are required to prove this very sad state of affairs. But we were brought face to face with

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old arguments, arguments that have been raised on several occasions and legitimately raised now—the argument of what about the consumer? May I ask, what would have been the condition and the position of the consumer in India if there was not this textile industry in India today? If we were left to our fate, as some of our friends here desire we should be, and that there should be no protection, do you think, Mr. President, that Japan today would be selling its cloth at rock-bottom prices as it is doing? Do you think that if there was no protection given to the mill industry, the Japanese would be sending cloth to this country at the cost of cotton? It is because there are mills in India to compete, which continue to work today due to protection, that the consumer is getting the advantage of cloth at prices which are below cost. It is true that the consumer is less able to buy today than he was three or four years ago; but cloth, as Mr. Mitra pointed out, is a necessity of life and, therefore, whatever may be the reduction in their own incomes, they have got to buy a certain minimum quantity of cloth. It may be that they have to incur debt, but they have to buy it; and, if it was not for this protection, I venture to suggest that the Japanese within the last two or three years would have so ruined the Indian industry that today they would have been in a position to import cloth at two or three annas higher than they are doing. It is on account of this protection, I contend, that the prices of cloth have been kept at this very low level, at a level, I repeat, lower than cost. Sir, that is my answer to the argument that has been raised today with regard to the position of the consumer and to the advantages or disadvantages he derives from the protection that is sought to be extended only for the next seven months.

Then, Sir, my friend, Diwan Bahadur Ramaswami Mudaliar, raised a most important and interesting debate, but I would respectfully point out that to a certain extent it was irrelevant. We all readily admit that our interests, that is the interests of the textile industry, are identical with the interests of the producers of the raw commodity. It is in their prosperity that our prosperity lies. If the raw material obtains higher prices, the producers of raw material will be able to pay us a price for textiles which will leave us a little profit. If you ruin them, you will certainly ruin the textile industry of India, and, therefore, so far as that proposition goes, there is nobody in this House who will ever contest it; but if my friend, Diwan Bahadur Ramaswami Mudaliar, desired to argue that, on account of continuing this tariff, less cotton was being exported from the country or that this tariff affected the values of the raw commodities in India, I must respectfully point out that I do not see the connection. I can understand my friend complaining that the Indian mills have consumed less Indian cotton. He has shown that larger quantities of cotton have been imported into this country. May I explain why that was so? It was firstly due to the fact that a large number of mills began to produce cloth which had never been produced in India before. They have begun to produce a finer quality of cloth, for which cotton is not grown in this country, and, therefore, they had to buy the imported cotton. Nobody can contend that the millowners have not taken a real and genuine interest in the improvement of the staple of cotton. I do not think that my friends on the Treasury Benches will for one moment believe that millowners have impeded improvement in the quality of cotton. They have done their best to improve the staple

of cotton; it is in their interest to see that the quality of cotton is improved in this country. But, if, at the present moment, you cannot get cotton in order to spin the higher counts, is it an illegitimate thing for millowners to have used a certain amount of imported cotton? I will go a step further. Why was it, Mr. President, that figures for imported cotton jumped up within the last few months? It was on account of Japanese dumping, and I will show to the Honourable Members why it was so. On account of the Japanese dumping, the millowners, in order to compete, had to look round and produce other qualities. They could not compete with the Japanese stuff sent into this country, made most probably out of Indian cotton, and many mills, to my knowledge, went in for higher counts in order to find fresh fields for their productions and in order to compete against this dumping, within the last six or eight months or a year, many mills, who would never have dreamt of going to finer counts, were forced to do so. But suppose they had not done so, would they have continued to consume the Indian cotton? I venture to suggest that those looms would have been closed down on account of Japanese competition, and, instead of working on finer counts from imported cotton, they would have closed down the looms, they would have dispensed with the services of a larger number of their labourers than they have done today, and India would not have benefited at all; that cotton would have been surplus as it is today. That is the explanation, Mr. President, for the larger import of foreign cotton. No Indian millowner desires to produce goods, I am quite certain, for which he has not already a market amongst the millions of the people. As soon as you go on to fine counts, you run risks which you do not do for the coarser stuff. You do it when you are compelled to do it. If there are stocks of finer stuff, then a hundred per cent more money is locked up. If you fail to sell those stocks, then the losses are enormous. You can afford to keep stocks of coarse stuffs, because it costs less. You can afford to take risks with regard to depreciation in so far as coarse stuff is concerned, but you cannot afford to take those risks with regard to finer stuff and, therefore, the mill industry as a whole will not go in for finer stuff if it can get a ready market for coarse stuff. But if Japan is allowed to come into this country and knock out the market that the Indian mills have built up for themselves within the last 80 years, then it is not for Honourable Members to complain that we come here and ask for protection. These are some of the circumstances which have come into existence due to no fault of the textile trade. And, after all, what the Honourable Member has asked us is an extension of the protection for seven months until he is in a position to investigate the matter further, and, when he does investigate the matter further, and if he will only rely upon facts and not upon sentiment such as we have heard today, I venture to suggest he will come to the conclusion that not only is an extension of this protection well deserved, but that, if this country is to be saved, if the consumer is to be saved in the near future, a greater protection will have to be given. I do again emphasise the point that a great deal of our trouble is due to the low prices of the raw commodity, because it is millions who produce it; it is they who buy the goods that the textile industry turns out in India. And if those millions are badly off, if they are on the verge of starvation, if they are not able to buy their usual quantity of cloth, I for one feel some satisfaction that the industry is making a loss at a time when the people of this country can least afford to pay higher prices for cloth; if

[Sir Cowasji Jehangir.]

is at a time when the agriculturist is on the verge of starvation; and we, I mean those who are interested in the textile industry, will have to put up, for a short time, with a loss. If this loss had occurred at a time when agriculture was thriving, our complaint would have been much stronger, but I wish to look forward for just a few months hence when agriculture will recover, and if this question of competition is not dealt with now, the Japanese will get all the advantage of improved conditions in India, and the mill industry will be in the same rotten position in which it finds itself today. Surely, my friends here do not desire that if the condition of the agriculturist improves, as we all hope, hope and pray it will, that the advantage should go to Japan. Surely, if they are able to buy cloth, let it be Indian cloth. I am looking forward to that day, and I trust that my Honourable friends opposite will see to it that when agriculture improves, they will buy Indian cloth and no other cloth. I will be with them to see that as long as agriculture does not improve and the millions are on the verge of starvation, the mill industry shall charge its bare cost. I am prepared for that. But I do look for better times and if I do not look for better times and if this Honourable House does not look for better times, then they must be prepared to see the textile industry in this country wiped out.

Mr. President, a good many remarks have been made in this Honourable House which I have no desire to reply to. It is a late hour. We are anxious to hear my Honourable friend, the Commerce Member. Therefore, let us not be accused as we were by Mr. Ghuznavi today that because we are not able to reply to all the false accusations that are made, therefore, we admit them. My Honourable friend, Mr. Ghuznavi, said that we were in the House when he made startling accusations against the mill industry two or three years ago and that they were not contradicted and, therefore, he takes them for facts which are correct. I do desire to protect myself against such an accusation in the future, simply because I do not wish to waste the time of this House in answering accusations which are on the face of them false and incorrect.

**The Honourable Sir Joseph Bhoré:** The trend of the debate today seems to show that the House or a certain section of it is torn or is beginning to be torn between two loyalties, loyalty to the idea of protection and loyalty to the consumer's interest. I confess that I am unable to follow clearly the resultant of these two contending emotions. But I am quite sure that all Honourable Members themselves have not made up their minds as to the exact extent to which they would go either in the interests of the consumer or in the interests of the producer. I venture to think that the safest guide is still that which the Government of India have always steadily pursued, namely, a policy of discriminating protection, —a policy that has been endorsed by this House and a policy to which we are committed until this House deliberately modifies or sets it aside in favour of some other policy. (Hear, hear.)

Now, Sir, I would like to repeat what I have already said, that this, to my mind, is not the occasion for a discussion of the merits of the case for protection of the Indian cotton textile industry. I could not possibly deal here and now with questions of principle or policy without referring either directly or indirectly to the report of the recommendations of the Tariff Board, and the House will, I am sure, realise that I am precluded from doing that. I am sure they will, therefore, not expect me to go

into the merits of the case. I would, however, like to refer quite briefly to an aspect which may be causing some uneasiness to certain minds, uneasiness indeed which has been reflected in more than one speech that has been made today. This matter that I am going to refer to has already been touched upon by my Honourable friend, Mr. Mody, but perhaps the House would like to have information from a less interested source. (Laughter.) I think, Sir, a very natural question which arises in the mind of the ordinary person in the street is this. Have these continuous increases in import duties not really put up prices to the consumer? That I think is a perfectly legitimate apprehension, and I confess that it was an apprehension that exercised me and made me ask for certain figures. Now, Sir, I do not wish to go at great length into statistics, but I will only take the case of grey unbleached goods which are speaking generally the cheapest classes of goods, and I will give the House the quotations of Bombay mill-made goods in respect of these over some period of time. Take the case of shirtings. In January, 1930, the quotations for grey shirtings unbleached were 0-13-9 pies per lb. In March, 1932, the quotations had fallen to 0-11-3 pies, and in January, 1933, they had still further fallen to ten annas. Take drills. In January, 1930, the price was 0-12-3 pies per lb., in March it had fallen to 0-9-3 pies; and in January, 1933, to 0-8-6 pies per lb. Take the articles known as "domestics". In January, 1930, this was 0-14-3 pies per lb., in March, 1932, it had fallen to 12 annas, and in January, 1933, to 10 annas. Now, Sir, I quite admit that we must take the fullest account of the general fall in prices, but the figures that I have given are, I think, of some significance. I shall no doubt have to refer to this subject in greater detail when we take up the question of the protection for the industry itself, but I thought, Sir, that a passing reference at this stage might help to allay unnecessary apprehension.

My Honourable friend, Mr. Ramaswami Mudaliar, sounded a well-timed note of warning in regard to the condition of the producers of raw material in this country. I can only say that it is a full appreciation of the complicated issues involved that has so far kept us again and again from taking hasty action. I would point out to him, however, that when we were considering the Ottawa Agreement, it was brought out very forcibly that the interests of the primary producer were being placed in the forefront, and I hope that through the efforts of the Imperial Council of Agricultural Research, acting in conjunction with the provincial Departments of Agriculture, the fullest advantage will be taken of the new openings for our primary products which have been made for the agriculturists by the Ottawa Agreement.

My Honourable friend, Mr. Ghuznavi, complained that he and the people of Bengal had been bled white by the exactions which have been imposed upon this country by the Bombay millowners. Well, Sir, I confess that I can see no signs of anæmia (Laughter), either pernicious or benign, either in his own person or in those of the representatives of Bengal in this House (Laughter), judging by the vigour of the speeches which they are on all occasions ready to make. I would, however, try to remove a misapprehension to which my Honourable friend gave currency. He said that we were always listening to the millowners of Bombay. Allow me to tell him that the telegrams that I have been receiving and which incidentally have been swelling the receipts of my Honourable colleague who sits to my right, have come from every part of India, from Bengal not least of all. My Honourable friend, Mr. Joshi,

[Sir Joseph Bhore.]

complained that we had done nothing when giving protection in the past, for the interests of textile labour. He asked what we are going to do and what we propose to do. My reply to him is this: *Si monumentum desiras circumspice*. He has only to see the legislation that has been introduced in this House. My Honourable friend also drew attention to the Objects and Reasons in which he said that I had referred to conditions of labour and to wages in China and Japan. Where he got that from, I have not the very faintest idea. I have scrutinised the Statement of Objects and Reasons and I find no reference whatsoever, either direct or indirect, either remote or near, to China or Japan. Sir, it grieves me very much to see signs of internecine warfare between members of the quasi joint family that sits before me . . . .

**Mr. N. M. Joshi:** May I interrupt the Honourable Member and read to him this sentence:

"By the same Act, the operation of the duty imposed by the Indian Tariff Act, 1927, was extended for a further period of three years on account of the unfair competition arising from the prevalence of inferior labour conditions in China":

This is not drawn from my imagination.

**The Honourable Sir Joseph Bhore:** Those were the Statement of Objects and Reasons in the previous Act. As I said, it has grieved me to see this difference of opinion in the ranks of the party opposite, but I do hope that Honourable Members will not oppose the passage of what in the circumstances of the case they must realise as an almost inevitable measure, but I do think that the speeches that have been made indicate one thing and that is a desire on the part of this House that when the case for the Indian cotton textile industry is placed before it, there shall be a convincing case put up in favour of any recommendations that may be put forward and also that a fair deal will be given not merely to the producer, but also to the consumer. In regard to that the House can set its mind at rest, for, I can assure you, Sir, that it is from that point of view that the Government will consider the report and frame their considered conclusions and place them before this House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That the Bill to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration".

The motion was adopted.

Clauses 2 and 1 were added to the Bill.

The Title and the Preamble were added to the Bill.

**The Honourable Sir Joseph Bhore:** Sir, I move that the Bill be passed

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 21st March, 1933.

## LEGISLATIVE ASSEMBLY.

Tuesday, 21st March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

### QUESTIONS AND ANSWERS.

#### OFFICERS AND CLERKS IN THE MILITARY ENGINEERING SERVICE, WESTERN COMMAND, QUETTA.

809. **\*Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Has the attention of Government been drawn to the *Paisa Akhbar* of Lahore, dated the 23rd February, 1933, in which an article has appeared, showing various numbers of officers of all grades and clerks working in the Military Engineering Service, Western Command, Quetta?

(b) If so, are the figures as shown there correct?

(c) If the reply to part (b) above be in the negative, will Government be pleased to lay on the table a correct statement of figures?

**Mr. G. R. F. Tottenham:** (a) Yes.

(b) and (c). The information has been called for and will be laid on the table in due course.

#### REPRESENTATION OF MUSLIMS IN THE CLERICAL STAFF OF THE MILITARY ENGINEERING SERVICE, WESTERN COMMAND, QUETTA.

810. **\*Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Will Government be pleased to state how many vacancies in the clerical staff occurred in the Military Engineering Service, Western Command, Quetta, during the years 1929 to 1932?

(b) How many of them were given to Muslims and how many to non-Muslims?

(c) If none was given to Muslims, was there a majority of Muslims in the department concerned that led the authorities to do so?

(d) Are Government prepared to issue orders for an adequate representation of Muslims in the above department?

**Mr. G. R. F. Tottenham:** (a), (b), (c) and (d). I have called for the information required by the Honourable Member and will lay an answer on the table when the necessary material has been received.



## NON-GRANT OF LEAVE TO MUSLIM POSTMEN OF DELHI FOR ID PRAYERS.

811. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Has the attention of Government been drawn to the article on page 3 of February, 1933 issue of *The Capital Postman*, the monthly journal of the postmen of Delhi?

(b) Is it a fact that Muslim postmen of Delhi were not allowed leave to say their Id prayers?

(c) Will Government be pleased to state whether the Postmaster's orders about leave and copies of Imam Sahib's letter were communicated to Inspectors and other officers concerned?

(d) Will Government be pleased to state the names of (i) Postmaster, Delivery Department, (ii) Head Clerk, Delivery Department, and (iii) Town Inspector on duty on the Id day?

(e) Will Government be pleased to state the circumstances for the departure from the long standing practice?

(f) What action do Government propose to take against the officials responsible for non-grant of leave to Muslim postmen for Id prayers and to avoid recurrence of the mistake?

**Sir Thomas Ryan:** (a) to (e). Government have seen the article in question, but have no information as to the correctness of the facts mentioned therein.

(f) The matter is within the competence of the Head of the Postal Circle concerned to whom a copy of the question is being sent.

## EXAMINATION FOR LOWER DIVISION POSTAL CLERKS HELD AT DELHI.

812. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Has the attention of Government been drawn to an article on page 4 of the February issue of *The Capital Postman*, the monthly journal of the Postmen Union, Delhi?

(b) Will Government be pleased to state whether the following statements about the procedure of examination for Lower Division clerks' posts adopted at Delhi are correct:

- (i) 105 candidates appeared for the examination,
- (ii) 20 candidates walked out as a protest against the irregular procedure and stiff examination,
- (iii) 85 candidates were examined in reading and translating Postal Guide and Manual in which 75 failed,
- (iv) Remaining 10 were examined in writing an essay on "Railway Journey" of which they were requested to write 40 lines (two pages) in half an hour,
- (v) These 10 were given four very lengthy questions in Arithmetic to solve in half an hour?

(c) Is it a fact that for the selection grade examination experienced clerks were required to write two pages of essay in three hours?

(d) Is it a fact that the examination held at Delhi on the 29th January, 1933, was irregular?

(e) Are Government prepared to treat the said examination as null and void and order fresh and regular examination of all candidates?

**Sir Thomas Ryan:** (a) to (e). Government have seen the article and are making enquiries. A reply will be placed on the table in due course.

## RECRUITMENT OF POSTAL CLERKS BY THE PRESIDENCY POSTMASTER, CALCUTTA.

813. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Will Government be pleased to place on the table a copy of Memo. No. L-4-3/247, dated the 3rd December, 1932, issued by the Presidency Postmaster, Calcutta, appointing nine clerks of the Post Office in permanent capacity?

(b) Is it a fact that of the nine clerks so appointed only one is a Muslim and that all the remaining eight are Hindus?

(c) Is it a fact that the third vacancy rule has not been observed by the Postmaster, Calcutta?

(d) Will Government be pleased to state whether any other Muslims are on the waiting list of Reserve Clerks who could be provided for permanently as clerks at least in the third vacancies?

(e) Are Government prepared to right the wrong done?

**Sir Thomas Ryan:** (a) The document relates to certain changes of staff in the Calcutta General Post Office and its sub-offices, including the transfer of permanent clerks from the leave reserve to the operative cadre. Government see no need to place a copy on the table.

(b) Yes.

(c) No, the third vacancy rule is not applicable to the appointments in question as these were not first appointments in the Department.

(d) There are some Muslims in the list of reserve clerks. The second part does not arise in view of the reply given to part (a) above.

(e) Does not arise.

## TENURE OF THE APPOINTMENT OF AN ASSISTANT POSTMASTER GENERAL.

814. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Is it a fact that the Postmaster General, Central Circle, his Deputy and Assistant are all Hindus?

(b) Is it a fact that the tenure of the appointment of an Assistant Postmaster General is five years?

(c) How long have Messrs. J. N. Dar and S. W. Movlankar held the appointments as Assistant Postmaster General in the Central Circle, and why have they not been transferred on the completion of their term?

**Sir Thomas Ryan:** There has been no change in the position since the reply given to Mr. M. Maswood Ahmad's starred question No. 54 on the 2nd February last, to parts (a) to (d) of which the Honourable Member's attention is invited.

COMMUNAL COMPOSITION OF THE CLERKS IN THE OFFICE OF THE SUPERINTENDENT OF POST OFFICES, RAILWAY MAIL SERVICE, "L" DIVISION, AND CERTAIN OTHER SUB-DIVISIONS.

815. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Will Government be pleased to state the communal composition of the clerks working in the office of the Superintendent, Railway Mail Service, "L" Division and in the sub-record offices at Multan, Lodhran, Khanewal, Shorkot, Kundian, Duadkhel and Basal R. M. S.?

(b) Are Government prepared to issue orders for the transfer of such officials as have completed their term under the recent orders of the Director General, Posts and Telegraphs?

**The Honourable Sir Frank Noyce:** (a) Government are not in possession of detailed information as asked for by the Honourable Member but a statement containing the information in respect of the Railway Mail Service "L" Division as a whole is laid on the table.

(b) The only official among those mentioned in part (a) for whose periodical transfer orders exist is the Head Clerk, Railway Mail Service "L" Division but owing to existing financial conditions such orders have ordinarily been held in suspense for the time being.

*Statement showing the communal composition of the clerical staff of the Railway Mail Service, "L" Division on the 31st December, 1932.*

|                                   | Hindus. | Muhammadans | Sikhs. | Other communities. | Total. |
|-----------------------------------|---------|-------------|--------|--------------------|--------|
| Upper Division and Higher grades. | 299     | 97          | 62     | ..                 | 458    |
| Lower Division . .                | 1       | 1           | ..     | ..                 | 2      |
| Total .                           | 300     | 98          | 62     | ..                 | 460    |

RECRUITMENT OF SIKHS IN THE RAILWAY MAIL SERVICE, "L" DIVISION.

816. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Is it a fact that the present Sikh Superintendent of the Railway Mail Service, "L" Division, has ordered the recruitment only of Sikhs and so the Inspectors and others are recruiting only Sikhs?

(b) Will Government please state whether the Superintendent's orders are wrong and, if so, do Government propose to cancel the irregular orders?

(c) Is it a fact that one new post of a clerk was recently sanctioned for I. R. O., Multan and a Sikh has been posted there, although educated and qualified Muslims were available?

(d) Is it a fact that the Sikh Inspector, Amritsar Railway Mail Service, is there for the last seven years?

**The Honourable Sir Frank Noyce:** (a) to (d). Information has been called for and a reply will be placed on the table in due course.

SHORTAGE OF RESIDENCES FOR GOVERNMENT OFFICIALS, ALLOWANCES TO POSTMEN AND ELECTRIC LIGHTS IN CERTAIN QUARTERS IN NEW DELHI.

817. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Will Government be pleased to lay on the table copies of their decisions in the matters referred to in unstarred questions Nos. 58, 65 and 72 (regarding shortage of residences for Government officials in New Delhi, allowances to postmen in Delhi for delivery of foreign mail and electric lights in 'D' class quarters in New Delhi), answered on the 20th January, 1930?

(b) If no decision has been reached, what is the reason for the delay?

**The Honourable Sir Frank Noyce:** (a) and (b). I lay on the table a note indicating the decisions in the matters referred to in the three unstarred questions which were answered on the 20th January, 1930.

*No. 58.*—The 36 class 'B' orthodox quarters for clerks have since been constructed. The general question of providing additional residential accommodation in New Delhi was also examined in the years 1929—31 and, as a result, a comprehensive scheme was prepared. In view, however, of the existing financial stringency, it has been decided that nothing should be done at present in the direction of providing any additional residential accommodation in New Delhi.

*No. 65.*—Arrangements for the special delivery of inward foreign mails at the Delhi head post office were discontinued in April 1931 and in consequence there is no longer any question of the grant of overtime allowances to postmen.

*No. 72.*—Government intend that these additional electric light points should be given in all clerks quarters (not only D class) when funds are available for the purpose.

OFFICE HOURS IN THE SECRETARIAT.

818. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Will Government be pleased to state if Lord Curzon's ruling about office hours referred to in starred question No. 197, answered on the 29th January, 1930, has since been traced? If so, will Government kindly lay a copy of the same on the table?

(b) If the reply to the first part of (a) above be in the negative, will Government be pleased to state if there is any possibility of its being traced and, if not, do Government propose to issue a fresh order on the same lines?

**The Honourable Sir Harry Haig:** (a) No.

(b) In view of my predecessor's reply to question No. 197, dated the 29th January, 1930, Government do not consider that the issue of any such instructions is necessary.

#### INSANITARY CONDITION OF "TALAB SHAHJI" NEAR AJMERI GATE, DELHI.

819. **\*Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Will Government be pleased to state whether there is any bathing or swimming pond in New Delhi and, if not, why not?

(b) Are Government aware that there is a pond known as "Talab Shahji" near Ajmeri Gate, Delhi?

(c) Who is in charge of the pond referred to above?

(d) Are Government aware that the pond referred to in part (b) above is full of filth and dirt?

**Mr. G. S. Bajpai:** (a) There are no bathing or swimming ponds in New Delhi.

(b) Yes.

(c) and (d). The pond is situated on Nazul land which is in charge of the Deputy Commissioner, Delhi. The question of improving the sanitation of the pond is under consideration.

**Mr. M. Maswood Ahmad:** Is it a fact that the condition of the pond is such that it is injurious to health and in fact very unhealthy?

**Mr. G. S. Bajpai:** That is why I have said that the question of improving its sanitation is being considered.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member kindly inform this House whether Government are prepared to establish a mixed bathing place in New Delhi.

**Mr. G. S. Bajpai:** That is left to private enterprise,—and my Honourable friend can very well initiate it.

#### LOCATION OF THE GOVERNMENT OFFICES PERMANENTLY IN DELHI.

820. **\*Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to lay on the table a copy of the information referred to in reply to parts (a) to (d) of unstarred question No. 174, dated the 11th February, 1931, regarding location of the Government offices permanently in Delhi?

**The Honourable Sir Harry Haig:** I lay on the table a statement giving the desired information.

#### Statement.

|                                                                                                                                                                                                              | Rs.      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| (a) Total expenditure on two moves of the Government of India in 1930-31 . . . . .                                                                                                                           | 7,99,632 |
| (b) Total amount of house rent including rent on furniture for December 1930 realised from the migratory officers and staffs of the Government of India for the quarters allotted to them at Delhi . . . . . | 63,041   |
| (c) Total amount paid for December 1930 to the Government of India establishments under each of the undermentioned allowances :                                                                              |          |
| (i) Separation allowance at Delhi . . . . .                                                                                                                                                                  | 14,730   |
| (ii) Conveyance allowance at Delhi . . . . .                                                                                                                                                                 | 9,195    |
| (iii) House rent allowance at Delhi . . . . .                                                                                                                                                                | 1,777    |
| (d) Total house rent allowance paid to the Government of India staff during the Simla season of 1930 . . . . .                                                                                               | 2,83,677 |

#### NUMBER OF MUSLIM CLERKS IN CERTAIN POSTAL CIRCLES.

821. **\*Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to lay on the table a copy of the information collected *vide* reply to starred question No. 705, dated the 22nd September, 1931, regarding the number of Muslim clerks in certain postal circles?

**Sir Thomas Ryan:** The Honourable Member is referred to the statement laid on the table on the 14th September, 1932.

#### SAFEGUARDING THE INTERESTS OF MUSLIMS IN THE UPPER DIVISION AND SUPERINTENDENT'S GRADE IN THE GOVERNMENT OF INDIA DEPARTMENTS.

822. **\*Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to lay on the table a copy of the information collected, *vide* reply to starred question No. 282, dated the 10th September, 1929, regarding safeguarding of Muslims' interest in the Upper Division and Superintendent's grade in the Government of India Departments?

**The Honourable Sir Harry Haig:** The information asked for is laid on the table.

Statement showing the number of Upper Division, selection grade, and Superintendents appointments in the Government of India Secretariat on the 1st September, 1929.

|                                           | Upper Division.   |                 |               |                   |                 |               | Superintendents. |                 |                 |
|-------------------------------------------|-------------------|-----------------|---------------|-------------------|-----------------|---------------|------------------|-----------------|-----------------|
|                                           | Upper Time-scale. |                 |               | Lower Time-scale. |                 |               | Total Number.    | No. of Muslims. |                 |
|                                           | No. of Muslims.   |                 | Total number. | No. of Muslims.   |                 | Total number. | Perma-<br>nent.  | Tempo-<br>rary. | Perma-<br>nent. |
|                                           | Perma-<br>nent.   | Tempo-<br>rary. |               | Perma-<br>nent.   | Tempo-<br>rary. |               |                  |                 |                 |
|                                           | Perma-<br>nent.   | Tempo-<br>rary. |               | Perma-<br>nent.   | Tempo-<br>rary. |               |                  |                 |                 |
| Home Department                           | 4                 | ..              | 21            | 4                 | ..              | 267           | 6                | ..              | ..              |
| Foreign and Political Department          | 8                 | ..              | 41            | 6                 | 3               | ..            | 11               | ..              | ..              |
| Finance Department                        | 4                 | ..              | 25            | 3                 | 7               | ..            | 6                | 1               | ..              |
| Department of Education Health and Lands. | 5                 | ..              | 27            | 7                 | ..              | ..            | 5                | ..              | ..              |
| Commerce Department                       | 3                 | ..              | 15            | 1                 | 6               | ..            | 3                | 1               | ..              |
| Legislative Department                    | 2                 | ..              | 13            | ..                | ..              | ..            | 2                | ..              | ..              |
| Army Department                           | 4                 | ..              | 28            | 4                 | ..              | ..            | 6                | ..              | ..              |
| Department of Industries and Labour.      | 5                 | ..              | 27            | 2                 | ..              | ..            | 8                | ..              | ..              |
| Railway Department (Railway Board).       | 4                 | ..              | 27            | 2                 | ..              | ..            | 6                | ..              | ..              |
| Military Finance Department               | 6                 | ..              | 31            | 3                 | 3               | ..            | 6                | ..              | ..              |
| Legislative Assembly Department           | ..                | ..              | 12            | 2                 | ..              | ..            | 2                | 1               | ..              |
| Total                                     | 45                | ..              | 267           | 34                | 19              | ..            | 61               | 1               | 2               |

# RECRUITMENT AND PROMOTION OF MUSLIMS IN THE SECRETARIAT AND ATTACHED OFFICES.

823. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to lay on the table a copy of the information referred to in reply to starred question No. 1018, dated the 28th September, 1931, regarding recruitment and promotion of Muslims in the Secretariat and Attached Offices?

**The Honourable Sir Harry Haig:** The information asked for is laid on the table.

\*1018. (a) The information readily available shows that on the 30th August, 1930, there were 8 such Muslims in the First Division, 17 in the Second Division and 6 in the Third Division.

(b) Eight in the First Division, 12 in the Second Division and 104 in the Third Division.

(c) and (d). The statement below gives the required information :

| Passed in Division. |           | Posts offered in  |                       |                   |                      |                   |                      |
|---------------------|-----------|-------------------|-----------------------|-------------------|----------------------|-------------------|----------------------|
|                     |           | 1st Division.     |                       | 2nd Division.     |                      | 3rd Division.     |                      |
|                     |           | Secre-<br>tariat. | Attache d<br>Offices. | Secre-<br>tariat. | Attached<br>Offices. | Secre-<br>tariat. | Attached<br>Offices. |
| Muslims.            | I (4)     | 2                 | 2                     | ..                | ..                   | ..                | ..                   |
|                     | II (2)    | ..                | ..                    | 1                 | 1                    | ..                | ..                   |
|                     | III (8)*  | ..                | ..                    | ..                | ..                   | ..                | †7                   |
| Non-Muslims.        | I (4)     | 2                 | 2                     | ..                | ..                   | ..                | ..                   |
|                     | II (10)   | ..                | ..                    | 5                 | 5                    | ..                | ..                   |
|                     | III (104) | ..                | ..                    | ..                | ..                   | 2                 | 63                   |

(e) None in the First and Second Divisions. Thirty-seven in the Third Division, i.e., 4 which were offered but not finally accepted at that time and 33 (6 Muslims, 4 other minority communities and 23 lady clerks) for which passed candidates were not available.

\* One candidate asked for an appointment in a moving office which was not available.

† Includes one who was subsequently found inefficient and discharged.

## CLERICAL ESTABLISHMENT OF THE RAILWAY BOARD.

824. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to lay on the table a copy of the statement referred to in reply to starred question No. 1023, dated the 28th September, 1931, regarding the clerical establishment of the Railway Board?

**Mr. P. R. Rau:** I lay on the table two statements giving the information required.

## A

Statement showing strength of clerical establishment of the Railway Board's office at the end of March of each year from 1927 to 1931.

|                                                | 31st March, 1927. |        |         | 31st March, 1928. |        |         | 31st March, 1929. |        |         | 31st March, 1930. |        |         | 31st March, 1931. |        |         |
|------------------------------------------------|-------------------|--------|---------|-------------------|--------|---------|-------------------|--------|---------|-------------------|--------|---------|-------------------|--------|---------|
|                                                | I Dn.             | II Dn. | III Dn. | I Dn.             | II Dn. | III Dn. | I Dn.             | II Dn. | III Dn. | I Dn.             | II Dn. | III Dn. | I Dn.             | II Dn. | III Dn. |
| <b>Permanent.</b>                              |                   |        |         |                   |        |         |                   |        |         |                   |        |         |                   |        |         |
| (i) Total No. of employees in each Division.   | 30                | 43     | 32      | 30                | 43     | 32      | 29                | 43     | 32      | 31                | 44     | 33      | 33                | 45     | 30      |
| (ii) No. of Muslim employees in each Division. | ..                | 5      | 5       | ..                | 5      | 5       | 1                 | 5      | 5       | 1                 | 5      | 5       | 1                 | 5      | 5       |
| <b>Temporary.</b>                              |                   |        |         |                   |        |         |                   |        |         |                   |        |         |                   |        |         |
| (i) Total No. of employees in each Division.   | ..                | ..     | ..      | ..                | 1      | 2       | ..                | 1      | 12      | 1                 | 2      | 13      | 1                 | 1      | 8       |
| (ii) No. of Muslim employees in each Division. | ..                | ..     | ..      | ..                | ..     | ..      | ..                | ..     | 3       | ..                | ..     | 3       | ..                | ..     | 1       |

## B.

Statement showing vacancies occurred and filled in the clerical establishment of the Railway Board during the years 1926-27, 1927-28, 1928-29, 1929-30 and 1930-31.

|                                                                    | 1926-27. |        |         | 1927-28. |        |         | 1928-29. |        |         | 1929-30.* |        |         | 1930-31. |        |         |
|--------------------------------------------------------------------|----------|--------|---------|----------|--------|---------|----------|--------|---------|-----------|--------|---------|----------|--------|---------|
|                                                                    | I Dn.    | II Dn. | III Dn. | I Dn.    | II Dn. | III Dn. | I Dn.    | II Dn. | III Dn. | I Dn.     | II Dn. | III Dn. | I Dn.    | II Dn. | III Dn. |
| <b>Permanent.</b>                                                  |          |        |         |          |        |         |          |        |         |           |        |         |          |        |         |
| (i) Total No. of vacancies occurred in each Division . . . . .     | ..       | 2      | ..      | 2        | 1      | 1       | 1        | ..     | 1       | 3         | 2      | ..      | 5        | 3      | ..      |
| (ii) No. of vacancies filled by Muslims in each Division . . . . . | ..       | ..     | ..      | 1        | ..     | ..      | ..       | ..     | ..      | ..        | ..     | ..      | ..       | ..     | ..      |
| <b>Temporary.</b>                                                  |          |        |         |          |        |         |          |        |         |           |        |         |          |        |         |
| (i) Total No. of vacancies occurred in each Division . . . . .     | ..       | ..     | ..      | ..       | 2      | 7       | ..       | ..     | 11      | ..        | 2      | 20      | 2        | 3      | 23      |
| (ii) No. of vacancies filled in by Muslims . . . . .               | ..       | ..     | ..      | ..       | 1      | 1       | ..       | ..     | 3       | ..        | ..     | 6       | ..       | 1      | 8       |

\*During the years 1929-30 and 1930-31 no permanent vacancies were filled.

# NUMBER OF MUSLIMS EMPLOYED IN THE LOWER SIND AND PERSIAN GULF POSTAL DIVISIONS.

825. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to lay on the table a copy of the information collected *vide* reply to starred question No. 680, dated the 22nd September, 1931, regarding the number of Muslims employed in the Lower Sind and Persian Gulf Postal Division?

**Sir Thomas Ryan:** A statement containing the information required, which was supplied to the Honourable Member by Sir Hubert Sams on the 3rd November, 1931, is laid on the table.

## Numbers of Muslims employed in the Lower Sind and Persian Gulf Postal Division.

\*680. (a) 143.

(b) Muslims 42, Non-Muslims 101.

(c) 173.

(d) 90.

## CONFIRMATION OF CERTAIN CLERKS ON THE NORTH WESTERN RAILWAY.

826. \***Mr. M. Maswood Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Will Government be pleased to state if it is a fact that in July, 1931, orders were issued by the Government of India stopping confirmations of staff?

(b) Is it a fact that the Agent, North Western Railway, issued similar orders to the officers subordinate to him?

(c) Is it a fact that subsequent to the issue of these orders by the Agent, the D. C. Os., Moghalpura, confirmed certain clerks in his office without obtaining the Agent's sanction? If so, what action was taken against the persons responsible for the irregularity?

(d) Are Government aware that these confirmations were made in a most unusual manner by holding an examination in dictation?

(e) Is it a fact that in ordering these confirmations claims of some senior and well qualified Muslims were ignored? If so, are Government prepared to have the matter investigated and the grievances of Muslims redressed?

(f) Are Government aware that certain Hindu Third Division Matriculates were confirmed contrary to the Agent's orders and that some Second Division Muslims who were fully qualified according to the Agent's orders were turned out? If so, do Government propose to reinstate the Muslims wrongly discharged and remove the non-Muslims wrongly confirmed?

(g) Is it a fact that the names of some Muslim members of the staff discharged by the D. C. Os., Moghalpura, have not been advised to the Labour Exchange for employment in future vacancies in preference to outsiders? If so, are Government prepared to pass orders to rectify the mistake at once?

**Mr. P. R. Rau:** I have called for certain information and will lay a reply on the table in due course.

## POSTINGS OF INDIAN FOREST SERVICE OFFICERS.

827. \***Mr. M. Maswood Ahmad** (on behalf of Mr. S. C. Mitra): (a) Is it a fact that two officers were appointed by the Secretary of State for India to the Indian Forest Service in November last on completion of their probation at Dehra Dun?

(b) Is it a fact that one of them has been posted to Assam and the other to the United Provinces?

(c) Is it true that the United Provinces Government applied to the Government of India asking for a Muslim to be posted to the United Provinces?

(d) If the answer to part (c) be in the affirmative, will Government please state whether such a request has ever been made before by any Provincial Government in the matter of posting of All-India officers?

(e) If not, why did the United Provinces Government do so now and why did the Government of India allow such a request?

(f) Do Government contemplate or have they ever contemplated introducing communal representation province by province in the All-India Services, apart from communal representation in a particular service as a whole for India?

(g) If so, did the Government of India take note of the fact that of the Indian Forest Service officers in Assam there is not a single Muslim, whereas in the United Provinces there is at least one fairly senior Muslim Indian Forest Service officer?

**Mr. G. S. Bajpai:** (a) to (c). Yes, the facts are as stated.

(d) Yes.

(e) This part of the question does not arise.

(f) No, but the communal composition of the population of each province cannot be disregarded in making allotments.

(g) Government arrived at the decision after taking into consideration all relevant facts.

## POSTINGS OF INDIAN FOREST SERVICE OFFICERS.

828. \***Mr. M. Maswood Ahmad** (on behalf of Mr. S. C. Mitra): (a) Is it true that officers in the Imperial Services are generally given their postings according to their preferences regarding provinces in the order of merit, and that this general rule was followed in the case of posting of Indian Forest Service probationers from Dehra Dun in all past years?

(b) If so, what specific reasons had the Government of India to depart from this general principle this year?

(c) Is it not a fact that both the candidates had given the United Provinces as the province of their choice, and yet the candidate who obtained the first rank in Dehra Dun and in the open competitive examination at Delhi, through which they were recruited to the service, was posted to Assam and the other candidate who was originally only nominated to the service for communal reasons was posted to the United Provinces?

(d) Are the Government of India prepared to reconsider their decision in the matter of this posting and re-post accordingly the officers concerned?



**Mr. G. S. Bajpai:** (a) The general principle is that while the wishes of probationers in All-India Services in regard to their postings are taken into consideration, the actual allotment is made with due regard to the exigencies of public service, and for this reason the rules make it clear that no guarantee can be given that the choice of a probationer will be adhered to.

(b) There has been no departure from the general principle stated in answer to part (a) of this question.

(c) The facts are as stated.

(d) No.

**REFUSAL OF THE CEYLON STATE COUNCIL TO GRANT PREFERENCES ON CERTAIN ARTICLES CONTAINED IN SCHEDULE E OF THE OTTAWA AGREEMENT.**

829. **\*Mr. H. P. Mody** (on behalf of Mr. F. E. James): (a) Has the attention of the Government of India been drawn to the action of the Ceylon State Council in January last, in refusing to grant preferences on certain articles contained in Schedule E of the Ottawa Agreement (including cotton textiles, iron and steel, coffee, coriander seed) and in reducing the margin of preference on others?

(b) In view of the reciprocal nature of the Ottawa Agreement and of the situation created by the action of the State Council, are the Government of India prepared to reconsider the scale and scope of the preferences granted to Ceylon under Schedule H of the Ottawa Agreement?

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

(b) The Government of India have taken the matter up with His Majesty's Government in the United Kingdom through the Secretary of State for India.

**REFLOORING OF CLERKS' QUARTERS IN NEW DELHI.**

830. **\*Mr. B. Das:** (a) Will Government be pleased to state if it is a fact that the New Delhi Central Public Works Department has been unusually busy during the last fortnight in reflooring the clerks' quarters?

(b) When was the decision to refloor these quarters taken?

(c) What is the reason for this activity at the end of the financial year? Is it due to the desire not to allow any grant under this head to lapse?

(d) What was the total amount spent for reflooring of clerks' quarters during the three months ending on 31st March, 1932?

(e) Is it a fact that the reflooring is being done in almost every room in clerks' quarters whether there is necessity for it or not?

(f) In view of the need for economy, are Government prepared to consider the advisability of postponing the reflooring work to better times and confining it this year to the absolute minimum requirements?

**The Honourable Sir Frank Noyce:** (a) and (c). There has been no abnormal activities in this respect, and the work was undertaken because the floor was in a state of disrepair.

(b) The estimate was sanctioned at the end of August last and, after the disposal of tenders, work was commenced in October.

(d) No re-flooring was carried out during the three months ending on the 31st March, 1932.

(e) No. There is no basis for the Honourable Member's suggestion.

(f) Does not arise.

**Dr. Ziauddin Ahmad:** May I ask whether the item will be included in the Budget of 1933-34 or will be laid in the form of a supplementary grant?

**The Honourable Sir Frank Noyce:** There is no question of the inclusion of any item in the Budget for 1933-34. We are dealing with 1932-33. The work has been completed, and I presume there was budget provision for it.

**APPOINTMENT OF MR. WILLIAMS AS AN OFFICER ON SPECIAL DUTY TO WRITE THE ANNUAL REVIEW OF EVENTS IN INDIA.**

831. **\*Mr. Lalchand Navalrai** (on behalf of Mr. Gaya Prasad Singh): Will Government kindly state if Mr. Williams, an I. C. S. officer from Madras, has been, or is about to be placed on special duty in the office of the Director of Public Information, for the purpose of writing the annual review of events in India? If so, will Government state why Mr. Stephens, Director of the Information Bureau, or the Deputy Director, is not given the work?

**The Honourable Sir Harry Haig:** Mr. Williams has been placed on special duty for the preparation of the Report in close consultation with the Director of Public Information. The reason for this arrangement is the necessity of affording assistance to the Director and the Deputy Director in view of the present pressure of work in the Bureau and in particular of the fact that during the period January to October, 1932, the Bureau had to carry on with only one officer for nearly seven months. The Report will finally be checked by Mr. Stephens and issued under the authority of the Bureau.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state why Mr. Williams has been selected from Madras, and none from Bombay or other places?

**The Honourable Sir Harry Haig:** The reason, Sir, is that Mr. Williams has been selected to be Under Secretary in the Home Department and we were able to secure his services for about a couple of months before he joined.

**PREFERENCE FOR GOVERNMENT APPOINTMENTS TO THOSE WHO RENDERED ACTIVE SERVICE DURING THE GREAT WAR.**

832. **\*Mr. Gaya Prasad Singh:** Will Government be pleased to state whether it was the intention of paragraph 4 of the Home Department Resolution, No. 1099-Establishments, dated the 8th August, 1919, to give preference in the matter of Government employment to all those who had rendered active service during the war irrespective of the fact that they did not possess the necessary educational, professional or technical qualifications, but were otherwise competent to perform the duties of the posts to which they were to be appointed? If not, what was the intention?

**The Honourable Sir Harry Haig:** The intention of the orders in the paragraph referred to is to exempt from the prescribed educational, professional or technical qualifications, not all those who rendered such service but only such of them as were prevented by war service from acquiring these qualifications.

APPOINTMENTS TO THE THIRD DIVISION OF THE GOVERNMENT OF INDIA SECRETARIAT.

833. **\*Mr. Gaya Prasad Singh:** (a) Is it a fact that for appointment to the third division of the Government of India, Civil Secretariat (*e.g.*, Home, Finance Departments) it is necessary for a candidate to pass an examination of the Public Service Commission?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state under which of the three categories, *viz.*, "educational, professional or technical qualifications" the passing of the Public Service Commission examination referred to above falls?

**The Honourable Sir Harry Haig:** (a) Ordinarily the position is as stated by the Honourable Member.

(b) The examination is intended to test the candidates' general intelligence as well as their proficiency in typing.

PERMANENT APPOINTMENTS IN THE GOVERNMENT OF INDIA OFFICES GIVEN TO THOSE WHO RENDERED ACTIVE SERVICE DURING THE GREAT WAR.

834. **\*Mr. Gaya Prasad Singh:** (a) Will Government be pleased to state whether they have given permanent appointment to any persons in the Government of India offices under the terms of the Home Department Resolution, No. 1099-Establishments, dated the 8th August, 1919?

(b) If the reply to part (a) be in the affirmative, will Government kindly state what the circumstances of those cases were, and what particular terms of the above-mentioned Resolution were applied to those cases?

(c) If the reply to part (a) above be in the negative, will Government be pleased to state whether no one claimed for this concession since the above-mentioned resolution was issued or whether Government did not give effect to it at all?

**The Honourable Sir Harry Haig:** (a) The information is not readily available and Government consider that the expenditure of time and labour that would be involved in trying to collect it would not be justifiable.

(b) and (c). Do not arise. As regards part (c) however I may inform the Honourable Member that I am aware of a few cases in which persons claimed the concession referred to but as Government were not satisfied that the applicants were prevented by war service from obtaining the necessary qualifications to secure employment under Government their requests were not granted.

SUPPLY OF MILK PRODUCTS OF THE MILITARY DAIRY FARM, JUTOGH.

835. **\*Mr. Gaya Prasad Singh:** (a) With reference to my starred question No. 76 of the 7th September, 1932, regarding the supply of milk products of the Military Dairy Farm, Jutogh, is it not a fact that Keventers Dairy have made several representations urging that the Military Dairy Farm should not be allowed to compete with private enterprise, as admitted by the Army Secretary, in his letter to me, dated the 9th September, 1932?

(b) Are Government aware that Keventers Dairy is an English firm; and have Government or the military authorities received any representations from any Indian dairy farms suggesting that the supply of milk products of the Military Dairy Farm, Jutogh, should be restricted only to Government officials? If such representations have been received, will Government kindly place them in the Library, or at least state from whom such representations have been received, and when?

(c) If no such representations have been received, have the military authorities restricted the supply of products of the Jutogh Dairy Farm solely for the benefit of Keventers' Dairy?

**Mr. G. R. F. Tottenham:** (a) Yes.

(b) I understand that Mr. Edward Keventer the founder of the private company known as E. Keventer Ltd. is a naturalised British subject of Swedish birth and origin. A joint protest against Government trading in dairy produce was received at Army Headquarters from the following firms on the 2nd November last:

- (1) The Simla Dairy Farm, Simla and Lahore.
- (2) Messrs. Edward Keventer, Ltd.
- (3) The Montgomery Dairy Farm, Lahore.
- (4) The Dalhousie Dairy, Lahore.
- (5) The Krishna Dairy, Lahore.
- (6) The Punjab and Sind Dairy Farm, Lahore.
- (7) The Indian Dairy and Bakery.

I understand that some of these firms are Indian.

(c) This part of the question hardly arises, but I may state that the restrictions have been imposed in accordance with the considered policy of Government, which has, I think, commended itself strongly to Indian opinion. Government do not consider that it would be justifiable to depart from that policy on racial grounds.

**Mr. Lalchand Navalrai:** Will the Honourable Member please state how many protests are from Indian and how many from European firms?

**Mr. G. R. F. Tottenham:** I do not know exactly how many; but I have the representation here and most of the signatures are those of Indians. I think at least four are Indian firms out of the seven.

PENSION OF CERTAIN MILITARY MEN INCREASED BY RE-EMPLOYMENT DURING THE GREAT WAR.

836. **\*Mr. Gaya Prasad Singh:** (a) Will Government please refer to paragraph 1081 (ix) of the Army Regulations (India), Volume I, (1915) edition, and state their reasons for disallowing enhanced rates of pension

admissible in that paragraph for pensioners re-enrolled during the War by imposing upon the re-enrolled persons a fresh condition in 1921 to the effect that enhanced rates of pension sanctioned as a result of the post war cost of living in A. I. I. 805 of 1920 will only be granted to the re-enrolled pensioners, if the re-employed service was, in the opinion of the Officer Commanding, quite satisfactory and that no pension was drawn during the period of re-employment?

(b) Are Government aware that many claims of pre-war Indian officers and non-commissioned officers, on account of their re-enrolment as in part (a) above, have been disallowed simply because the Officers Commanding expressed their inability to find any record by which it can be said that the service rendered during the period of re-enrolment was satisfactory?

(c) Are Government aware that the imposition of the fresh condition as in part (a) above is in contravention of the old rules of 1915? Has not this imposition tightened the hands of the unit commanders in granting certificates for the satisfactory service even in cases where there is no record to show that the services rendered during the time of re-employment were unsatisfactory?

(d) What records are necessary to prove satisfactory re-employed service during the War? What particular records were maintained during the War against the contingency of the new conditions referred to in part (a) above? Who is responsible for the lack of such records?

(e) Are Government aware that for re-assessment of pensions as in part (a) above, there are claims which were filed in time, but remained outstanding for a long period and that now the same are being rejected for want of records to show the re-employed service to be satisfactory?

(f) Are Government aware that the scope of claims of the category mentioned in part (a) above was further restricted by the interpretation of the new phrase "paid military service" used in A. I. I. 171 of 1921 as made by A. I. I. 1064 of 1923 whereby "paid military service" in Labour Corps was considered ineligible for the enhanced rates of pension so much so that all notification of enhanced pensions made prior to the introduction of A. I. I. 1064 of 1923, under the previous rules had to be cancelled?

(g) Are Government prepared to re-assess the pension of the re-enrolled pensioners, during the War, in accordance with the principle of paragraph 1031 (ix) A. R. I. referred to in part (a) above on the pre-war period, waiving the new condition imposed under A. I. I. 171 of 1921, at least in case where there is no record to show the re-employed service to be unsatisfactory?

(h) Will Government please state if, for the purposes of enhanced rates of pension referred to in part (a) above, the old or the new rules impose that a certain period of re-employed service must be rendered before the re-employed service can be taken to be satisfactory? If not, what is the reason for presuming the period of four months' service put in by Subedar Mamraj to be unsatisfactory as per answer of Government to question No. 283 (a), (b) and (c) of the 29th March, 1932, given on the 15th September, 1932?

(i) Was it not for the Pension Controller to take the initiative for the re-assessment of pensions in accordance with the rules in force?

**Mr. G. R. F. Tottenham:** With your permission, Sir, I will answer questions Nos. 836, 837 and 838 together.

The points raised by the Honourable Member are being examined and a reply will be laid on the table in due course.

#### DISABILITY PENSION TO DISCHARGED MILITARY MEN.

†837. **\*Mr. Gaya Prasad Singh:** (a) Will Government please refer to the answer to starred question No. 1543 (b) and state what they mean by the term "pensionable disability contracted on field or foreign service"?

(b) Are Government aware that the term "pensionable disability" did neither occur in 1915 Regulations, paras. 1052 to 1058, dealing with wound, injury and disability pension, nor in A. I. I. 1956 of 1922?

#### DISABILITY PENSION TO DISCHARGED MILITARY MEN.

†838. **\*Mr. Gaya Prasad Singh:** With reference to the answer of the Government to starred question No. 1544 (f), dated the 5th December, 1932, will Government please refer to the claim of Subedar Molar I of 10th Jats, who has been corresponding since the date of his discharge (25th June, 1919), and yet has not been granted any disability pension? Is it a fact that he submitted his complaint about the non-grant to the Deputy Controller of Military Pensions enclosing all the original casualty forms and hospital cards but the same was returned, *vide* D. C. M. P. letter No. G.-3/5516, dated the 3rd August, 1932? Is it a fact that he submitted his papers to the Government of India, Indian Soldiers Board and the same were returned by the Adjutant General, *vide* his letter No. B.-14360/A. G.-14, and that he submitted his claim to the O. C., 10th Bn., 4/9th Regiment, Bareilly, but to no effect? Is it a fact that the case has taken over twelve years and there is no settlement as yet?

#### INSTRUCTIONS ISSUED BY GOVERNMENT *RE* PAYMENTS ON CERTAIN CURRENCY NOTES.

839. **\*Pandit Satyendra Nath Sen:** (a) Is it a fact that instructions have been issued by Government to all Treasury Officers and Agents of Branches of the Imperial Bank of India to refuse payments on notes of the denominations exceeding Rs. 10 on which either number has been divided by cutting and to pay only half value if the number of one half is intact?

(b) What is the immediate cause of this innovation?

(c) Is it a fact that instructions have been issued to send the tenderers of such notes to the nearest currency office?

(d) Will such tenderers receive full value of their notes there?

(e) If so, in which cases and under what conditions?

**The Honourable Sir George Schuster:** (a) A Press communiqué to this effect was published on the 4th August, 1932.

(b) Because it was found that the rules promulgated in 1927 were not being strictly observed in all cases.

†For answer to this question, see answer to question No. 836.

(c) This is the procedure which has to be followed in all cases of claims made on defective notes.

(d) and (e). Payment will be made subject to the rules contained in Government of India, Finance Department Notification No. F.-4(XV)-F.-27, dated the 19th May, 1927.

**Pandit Satyendra Nath Sen:** What is the expected income to Government by this indirect method, *viz.*, by refusing to give full payments?

**The Honourable Sir George Schuster:** It is impossible to give an accurate answer. If my Honourable friend will put down a question on the point, I will see if there are any statistics available to show how many notes have not been presented for payment in the past, but it will be very difficult to supply information.

#### MECHANICAL *EX*-APPRENTICES OF THE EAST INDIAN RAILWAY WORKSHOP, LILLOOAH.

840. **\*Pandit Satyendra Nath Sen:** Will Government please state how many mechanical *ex*-apprentices of the East Indian Railway Workshop, Lillooah, who are on the waiting list, are likely to be provided with posts this year, in the East Indian Railway establishment (such as in the Mechanical Department, Stores, under Divisional Superintendents)?

**Mr. P. R. Rau:** With your permission, Sir, I propose to reply to questions Nos. 840 to 844 together. I have called for information and will lay replies on the table in due course.

#### MECHANICAL *EX*-APPRENTICES OF THE EAST INDIAN RAILWAY WORKSHOP, LILLOOAH.

†841. **\*Pandit Satyendra Nath Sen:** (a) Is it a fact that arrangements have been made to provide some apprentices (who were appointed in 1928) who will complete their apprenticeship training this year in the East Indian Railway Workshop, Lillooah, ignoring the claims of senior *ex*-apprentices who are waiting?

(b) If the answer to part (a) above be in the affirmative, are Government prepared to take steps to stop such practice without delay and appoint *ex*-apprentices from the waiting list? If not, why not?

#### MECHANICAL *EX*-APPRENTICES OF THE EAST INDIAN RAILWAY WORKSHOP, LILLOOAH.

†842. **\*Pandit Satyendra Nath Sen:** Will Government please supply the names of the mechanical apprentices who completed their training in 1932 and also of those who will complete in 1933 of the East Indian Railway Workshop, Lillooah, with the following: (i) date of admission, (ii) particulars of training, and (iii) result of Technical School (division placed in the final examination)?

† For answer to this question, see answer to question No. 840.

#### STOPPAGE OF RECRUITMENT OF APPRENTICE TRAIN EXAMINERS FOR THE OPERATING DEPARTMENT, EAST INDIAN RAILWAY.

†843. **\*Pandit Satyendra Nath Sen:** Will Government please state whether they propose to stop further recruitment of Apprentice Train Examiners for the Operating Department in the East Indian Railway while several *ex*-apprentices of the Lillooah Workshop are waiting? If not, why not?

#### APPOINTMENT OF TRAINED *EX*-APPRENTICES IN THE EAST INDIAN RAILWAY WORKSHOPS, LILLOOAH.

†844. **\*Pandit Satyendra Nath Sen:** Will Government please state:

- whether it is a fact that some outsiders who had no mechanical training have been appointed as mechanics in the East Indian Railway Workshop, Lillooah;
- whether it is a fact that one Anglo-Indian, who completed his training from the Electrical Department, is now working as a mechanic in "F" shop (saw mills) in the East Indian Railway Workshop, Lillooah;
- whether it is a fact that two Europeans or Anglo-Indians who were first appointed as Apprentice Train Examiners in the East Indian Railway Workshop (C. and W.), Lillooah, and on the merit of their training for few months only were taken in, after the abolition of that system as mechanics in "A" and "H" shops in the same establishment; and
- if the answers to parts (a), (b) and (c) above, be in the affirmative, whether Government are prepared to take steps to replace them by trained *ex*-apprentices who are waiting?

#### PROMOTION OF CLERKS IN THE EAST INDIAN RAILWAY ACCOUNTS DEPARTMENT.

845. **\*Pandit Satyendra Nath Sen:** (a) Is it a fact that promotion to the grade of clerks Class I, in the Railway Accounts Department is restricted only to those who pass Appendix 'C' Examination or were over 40 years of age on the 1st January, 1929, or were actually officiating in Class I on 1st April, 1929?

(b) Is it a fact that during the general fixation of staff in the year 1929, in the East Indian Railway Accounts Department, employees who did not satisfy any one of the above conditions were promoted to Class I?

(c) Is it also a fact that in January, 1931, Mr. T. R. V. Sarma, the then Deputy Chief Accounts Officer, East Indian Railway, passed orders for the reversion of those who were thus irregularly promoted?

(d) If so, will Government be pleased to state (i) the number of persons who were thus irregularly promoted, and (ii) the number of persons who were reverted in compliance with Mr. Sarma's orders?

(e) Do Government propose to regularise the matter now?

† For answer to this question, see answer to question No. 840.

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[21st MARCH 1933.

**Mr. P. R. Rau:** (a) I would refer my Honourable friend to the rules for recruitment and promotion of subordinate establishments in the Railway Accounts Department published in Railway Board's letter No. 5565-F. of the 31st July, 1929, copies of which are in the Library of the House.

(b) to (e). I have called for information and will lay a reply on the table in due course.

RECRUITMENT OF QUALIFIED CLERKS AS ACCOUNTANTS IN THE EAST INDIAN RAILWAY ACCOUNTS DEPARTMENT.

846. **\*Pandit Satyendra Nath Sen:** (a) With reference to Government's reply to starred question No. 945, put in the Legislative Assembly on the 8th November, 1932, will Government be pleased to state:

(i) the number of vacancies in the sub-head's grade, whether permanent, officiating or temporary, that occurred in the East Indian Railway Accounts Department, from August, 1932, up till now; and

(ii) the number of such vacancies that were filled up by promotion of qualified clerks?

(b) Is it a fact that nearly all the vacancies in the sub-head's grade in the East Indian Railway Accounts Department, are being offered to men who had once officiated in that grade, but were reverted since then?

(c) If so, are Government aware that such preferential treatment to reverted sub-heads has practically nullified the concession, which the Controller of Railway Account's letter No. 77-E./31/C. R. A./III, dated the 20th July, 1932, sought to confer on qualified clerks who had passed the highest departmental examination?

(d) Do Government propose to instruct the Chief Accounts Officer, East Indian Railway, to adhere strictly to the provisions of the letter cited above? If not, why not?

**Mr. P. R. Rau:** (a) to (c). I am collecting the required information and will lay a reply on the table in due course.

(d) Government have no reason to believe that the Chief Accounts Officer, East Indian Railway, does not adhere strictly to the instructions issued to him.

TARIFF VALUES OF RAW HIDES AND SKINS EXPORTED FROM BURMA.

847. **\*Mr. M. Maswood Ahmad:** Will Government be pleased to state whether the tariff values of raw hides and skins if exported from Burma is as follows:

|                                       |       |   |   |     |
|---------------------------------------|-------|---|---|-----|
| (1) Arsenicated and air-dried hides : |       |   |   |     |
| (a) Cows (including calf skins)       | lb.   | 0 | 2 | 9   |
| (b) Buffaloes (including calf skins)  | ..    | 0 | 1 | 9   |
| (2) Dry salted hides :                |       |   |   |     |
| (a) Cows (including calf skins)       | ..    | 0 | 2 | 6   |
| (b) Buffaloes (including calf skins)  | ..    | 0 | 2 | 0   |
| (3) Wet salted hides :                |       |   |   |     |
| (a) Cows (including calf skins)       | ..    | 0 | 1 | 6   |
| (b) Buffaloes (including calf skins)  | ..    | 0 | 1 | 3   |
| (4) Goat and kid skins                | Piece | 0 | 7 | 6   |
| (5) Sheep skins                       | ..    | 0 | 5 | 0 p |

**The Honourable Sir Joseph Bhore:** With your permission, Sir, I will answer questions Nos. 847 and 848 together. The answer is in the affirmative.

TARIFF VALUES OF RAW HIDES AND SKINS EXPORTED FROM BRITISH INDIA, EXCLUDING BURMA.

†848. **\*Mr. M. Maswood Ahmad:** Will Government be pleased to state whether the tariff values of raw hides and skins if exported from any place in British India other than Burma is as follows:

(1) Arsenicated and air-dried hides :

|                                      |          |     |   |   |   |
|--------------------------------------|----------|-----|---|---|---|
| (a) Cows (including calf skins)      | Framed   | lb. | 0 | 5 | 6 |
|                                      | Unframed | ..  | 0 | 3 | 6 |
| (b) Buffaloes (including calf skins) | Framed   | ..  | 0 | 4 | 0 |
|                                      | Unframed | ..  | 0 | 2 | 6 |

(2) Dry salted hides :

|                                      |    |   |   |   |
|--------------------------------------|----|---|---|---|
| (a) Cows (including calf skins)      | .. | 0 | 4 | 0 |
| (b) Buffaloes (including calf skins) | .. | 0 | 2 | 3 |

(3) Wet salted hides :

|                                      |    |   |   |   |
|--------------------------------------|----|---|---|---|
| (a) Cows (including calf skins)      | .. | 0 | 2 | 6 |
| (b) Buffaloes (including calf skins) | .. | 0 | 2 | 0 |

|                        |       |   |   |     |
|------------------------|-------|---|---|-----|
| (4) Goat and kid skins | Piece | 1 | 0 | 0   |
| (5) Sheep skins        | ..    | 0 | 8 | 0 p |

TARIFF VALUES OF RAW HIDES AND SKINS EXPORTED FROM BRITISH INDIA, EXCLUDING BURMA.

849. **\*Mr. M. Maswood Ahmad:** Will Government be pleased to state whether the tariff values of raw hides and skins if exported from any place in British India other than Burma is higher than if exported from Burma?

(b) Will Government be pleased to state the reasons for this differential treatment?

**The Honourable Sir Joseph Bhore:** (a) The reply to the first part is in the affirmative.

(b) Tariff values represent as near as possible average market values. The hides and skins produced in Burma are inferior in quality and grading compared with those produced in India and consequently command a lower market value.

**Mr. M. Maswood Ahmad:** Is it a fact that a few hides and skins of India and Burma were sent to an expert to find out as to which of them were superior?

**The Honourable Sir Joseph Bhore:** I am not aware of that.

**Mr. M. Maswood Ahmad:** What is the source of information of Government when they say that the Burma hides and skins are inferior to the hides and skins of India? How have Government come to this conclusion?

†For answer to this question, see answer to question No. 847.

**The Honourable Sir Joseph Bhore:** Because, as I said, it was a question of market values, and the Government of India have taken merely the market values.

**Mr. B. Das:** May I inquire, Sir, whether the Burma hides and skins and the Indian hides and skins fetch different prices in the foreign market?

**The Honourable Sir Joseph Bhore:** Sir, I have already explained that what we have to go upon is the market value.

**Mr. B. Das:** In India or outside India?

**The Honourable Sir Joseph Bhore:** The market value, I think, in India.

**Mr. M. Maswood Ahmad:** Will Government inquire the market value outside India of the hides and skins of Burma and India as a whole before they come to any decision on the tariff value of hides and skins for export duty?

**The Honourable Sir Joseph Bhore:** I do not know whether we can get that information, but I shall make inquiries.

**Dr. Ziauddin Ahmad:** The question of the market value in India is very risky, because in some places the trade in hides and skins may be very brisk. Therefore, the market value in buying countries like Germany and the United Kingdom should also be taken into consideration.

**The Honourable Sir Joseph Bhore:** I am grateful to the Honourable Member for that information.

#### DISCHARGE OF INSOLVENT EMPLOYEES FROM GOVERNMENT SERVICE.

850. **\*Mr. Lalchand Navalrai:** Will Government be pleased to state if there exist any Government Servants' Conduct Rules requiring discharge from service of servants who are adjudged insolvents, and, if so, whether such rules are being observed in practice?

**The Honourable Sir Harry Haig:** I invite the attention of the Honourable Member to Rule 16 of the Government Servants' Conduct Rules. This rule does not require dismissal, but lays down liability to dismissal in certain circumstances.

**Mr. Lalchand Navalrai:** My question was with regard to the Railway Department. Will the Honourable the Railway Member kindly inform me if there is such a rule of conduct for dismissal or keeping the subordinates liable to dismissal in the Railway Department?

**The Honourable Sir Joseph Bhore:** I must have notice of that question.

#### RECRUITMENT IN THE OFFICE OF THE DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

851. **\*Pandit Ram Krishna Jha:** (a) Is it a fact that the Accountant General, Central Revenues, New Delhi, held a competitive examination in February, 1931, and the Deputy Accountant General, Posts and Telegraphs, promised to engage those passed hands in his own office, whenever any vacancy occurred?

(b) If so, how many of them have been engaged in the office of the Deputy Accountant General, Posts and Telegraphs, in the vacancies which occurred in February, 1932?

(c) If the reply to part (b) above be in the negative, will Government be pleased to state:

(i) the number of unqualified hands recruited, and

(ii) under what circumstances they were given preference to the qualified hands?

(d) Are Government prepared to provide the qualified hands in the next vacancies that may occur?

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

#### EMPLOYMENT OF CERTAIN MEN ON THE ABOLITION OF CERTAIN POSTS IN THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.

852. **\*Pandit Ram Krishna Jha:** (a) With reference to starred question No. 542, dated the 27th February, 1933, will Government be pleased to state, whether it is a fact that the men referred to in the question quoted above were taken in the Rates Experiment, but not in the Railway Clearing Accounts Office?

(b) If the reply to the above be in the affirmative, will Government be pleased to state why they were placed against the regular strength of the Railway Clearing Accounts Office?

**Mr. P. R. Rau:** I am informed that four of these men were first appointed in the Rates experiment and, on reduction of staff in that branch, were transferred to the Clearing Accounts Office as they were considered particularly useful.

#### ELECTION OF THE STANDING FINANCE COMMITTEE.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order order. I have to inform the Assembly that the following Members have been elected to the Standing Finance Committee:

1. Mr. G. Morgan,
2. Major Nawab Ahmad Nawaz Khan,
3. Hony. Captain Rao Bahadur Chaudhri Lal Chand,
4. Diwan Bahadur Harbilas Sarda,
5. Mr. Badri Lal Rastogi,



[Mr. President.]

6. Lala Rameshwar Prasad Bagla,
7. Rai Bahadur S. C. Mukherjee,
8. Mr. B. Sitaramaraju,
9. Mr. J. Ramsay Scott,
10. Mr. Muhammad Muazzam Sahib Bahadur,
11. Dr. Ziauddin Ahmad,
12. Mr. Lalchand Navalrai,
13. Mr. B. V. Jadhav, and
14. Sirdar Harbans Singh Brar.

#### ELECTION OF THE PUBLIC ACCOUNTS COMMITTEE.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I have to inform the Assembly that the following Members have been elected to the Committee on Public Accounts:

1. Mr. K. P. Thampan,
2. Mr. B. Das,
3. Mr. Muhammad Anwar-ul-Azim, and
4. Mr. A. H. Ghuznavi.

#### STATEMENT OF BUSINESS.

**The Honourable Sir Brojendra Mitter** (Leader of the House): Mr. President, Government wish to give time next week for the discussion of the White Paper. After consulting the Party Leaders, I propose that Monday, Tuesday and Wednesday of next week should be devoted to this important matter; but I must impress on the House that this arrangement is provisional on the conclusion this week of the Finance Bill, the Wheat Bill and the Salt Bill. As I mentioned in my statement last Thursday, I may have to ask you to direct that the House shall sit on Saturday in order to finish these Bills.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): With regard to the question whether it is necessary for the House to sit on Saturday, the Chair would suggest to the Honourable the Leader of the House that he might make the request on Thursday after seeing the progress of the business up till that day.

#### STATEMENTS LAID ON THE TABLE.

**The Honourable Sir Harry Haig** (Home Member): Sir, I lay on the table the information promised in reply to starred questions Nos. 1694 and 1695 asked by Mr. N. R. Gunjal on the 14th December, 1932.

#### COMPLAINTS OF THE PUBLIC OF DELHI CITY ABOUT THE CORRUPTION IN CERTAIN DEPARTMENTS.

\*1694. (a) No such complaint is known to Government nor do enquiries disclose its existence.

(b) and (c). I have no information whether any such rules are in force in every province in India; nor would such transfers be feasible in every instance in the case of Delhi.

#### RESIDENCE AND PERIOD OF STAY IN DELHI OF CERTAIN OFFICIALS OF THE DELHI PROVINCE.

\*1695. (a) A statement containing the information required, except in respect of the Public Works Department, is enclosed. Officers and members of the staff of the Public Works Department with one or two exceptions, are no longer seconded from other provinces and the question of reverting them to their provinces does not arise.

(b) In view of the reply given to part (a) of question No. 1694, the question of taking action does not arise.

| Name of Officer.                             | Designation.                                         | Date of appointment to Delhi. | Home Province.     |
|----------------------------------------------|------------------------------------------------------|-------------------------------|--------------------|
| (1)                                          | (2)                                                  | (3)                           | (4)                |
| Deputy Commissioner's Department—            |                                                      |                               |                    |
| (a) <i>Magistracy.</i>                       |                                                      |                               |                    |
| 1. A. H. Layard, Esqr., I.C.S.               | Deputy Commissioner.                                 | March 1932.                   | Central Provinces. |
| 2. F. B. Pool, Esq., M.B.E., P.C.S.          | Additional District Magistrate.                      | April 1929.                   | Punjab.            |
| 3. A. Isar, Esq., M.B.E., P.C.S.             | City Magistrate.                                     | December 1928.                | "                  |
| 4. R. S. Bakhshi Pindi Das, P.C.S.           | Revenue Assistant, Excise Officer and Nazul Officer. | March 1929.                   | "                  |
| 5. S. Abdul Samad Khan, P.C.S.               | General Assistant.                                   | November 1928.                | "                  |
| 6. Ch. Baldeo Singh, P.C.S.                  | Treasury Officer.                                    | May 1932.                     | "                  |
| 7. Lt. O. C. B. St. John, Poll. Probationer. | Poll. Pro. under training.                           | November 1932.                | "                  |

| Name of Officer.<br>(1)                  | Designation.<br>(2)                         | Date of appointment to Delhi.<br>(3) | Home Province.<br>(4)           |
|------------------------------------------|---------------------------------------------|--------------------------------------|---------------------------------|
| <i>(b) Tehsil.</i>                       |                                             |                                      |                                 |
| 1. K. S. S. Mohd. Hasnain.               | Tehsildar . .                               | January 1926                         | U. P. (Punjab cadre).           |
| 2. L. Kali Ram . .                       | Naib Tehsildar . .                          | November 1930.                       | Punjab.                         |
| 3. S. Abdul Aziz Khan.                   | Naib Tehsildar . .                          | July 1930 . .                        | „                               |
| <i>(c) Nazul Office.</i>                 |                                             |                                      |                                 |
| 1. R. S. Bakhshi Pindi Das, P.C.S.       | Nazul Officer [See also (a) 4 above].       | March 1929 .                         | Punjab.                         |
| 2. Syed Munazir Ali .                    | Tehsildar, Nazul .                          | January 1926                         | Delhi (Punjab cadre).           |
| 3. Vacant at present .                   | Superintendent, Nazul                       | ..                                   | ..                              |
| 4. Pt. Khairati Lal .                    | Head Clerk . .                              | December 1932.                       | Delhi.                          |
| <i>(d) Industrial Surveyor's Office.</i> |                                             |                                      |                                 |
| 1. S. S. Mehtab Singh .                  | Industrial Surveyor .                       | April 1925 .                         | Punjab.                         |
| 2. B. G. C. Mukerji . .                  | Technical Assistant to Industrial Surveyor. | August 1928.                         | Bengal, recruited Delhi. but in |
| <i>(e) Excise Office.</i>                |                                             |                                      |                                 |
| 1. R. S. Bakhshi Pindi Das, P. C. S.     | Excise Officer [See also (a) 4 above].      | March 1929 .                         | Punjab.                         |
| 2. Sh. Turab Ali . .                     | Excise Inspector .                          | April 1927 .                         | „                               |
| 3. Pt. Manmohan Nath Kaul.               | Excise Sub-Inspector                        | June 1927 .                          | „                               |
| 4. L. Madan Mohan .                      | Excise Sub-Inspector                        | January 1929                         | Delhi (Punjab cadre).           |
| 5. Rao Suleman Khan .                    | Excise Sub-Inspector                        | April 1930 .                         | Punjab.                         |
| 6. Ch. Mukhram Singh .                   | Excise Sub-Inspector                        | August 1928                          | „                               |

| Name of Officer.<br>(1)                     | Designation.<br>(2)                               | Date of appointment to Delhi.<br>(3) | Home Province.<br>(4)            |
|---------------------------------------------|---------------------------------------------------|--------------------------------------|----------------------------------|
| <i>(f) Deputy Commissioner's Office.</i>    |                                                   |                                      |                                  |
| 1. M. Abul Hassan Khan, P. C. S. (Retired). | Sub-Registrar and Honorary Magistrate, 1st Class. | May 1931 .                           | Delhi.                           |
| 2. C. O. Liddell, Esqr. .                   | Superintendent. .                                 | July 1917 .                          | „                                |
| 3. L. Sham Sunder Lal .                     | Head Clerk, English Office.                       | Decr. 1932 .                         | „                                |
| 4. Pt. Kashmere Lal .                       | Head Clerk, Vernacular Office.                    | Nov. 1925 .                          | „                                |
| 5. L. Mithan Lal . .                        | Head Clerk, Treasury Office.                      | Nov. 1932 .                          | „                                |
| 6. M. Maudud Ali . .                        | Manager, Court of Wards.                          | June 1919 .                          | „                                |
| 7. L. Harnam Das . .                        | District Nazir . .                                | Nov. 1921 .                          | Punjab recruited Delhi). (but in |
| 8. Syed Bashir Uddin .                      | Copying Agent . .                                 | Decr. 1925 .                         | Delhi.                           |

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, I lay on the table:

(i) the information promised in reply to starred questions Nos. 1570 and 1571, asked by Maulvi Sayyid Murtuza Saheb Bahadur on the 5th December, 1932; and

(ii) the information promised in reply to starred questions Nos. 588 and 589, asked by Mr. M. Maswood Ahmad on the 27th February, 1933.

#### COMPLAINTS AGAINST THE EDUCATION DEPARTMENT, AJMER-MERWARA.

\*1570 (e) and (f) (iii) and \*1571 (a), (b), (c) and (f). Enquiries were made into the allegations made by Mr. B. Anand of Ajmer regarding educational affairs in Ajmer-Merwara and they were found to contain very little substance. As regards his allegation about the issue of false admission cards for appearing at the examination of the Board of High School and Intermediate Education for Rajputana, Central India and Gwalior, and of counterfeit certificates of passing the Board's examination, only one such card and one certificate were discovered. The matter was entrusted to the police authorities for investigation, who subsequently reported that the suspect, who was being watched in this connexion, had left Ajmer for some unknown place. As the culprit could not be traced no action could be taken against him. The Board has, however, taken the necessary steps to prevent recurrence of such cases in future.

ALLEGED LACK OF ADMINISTRATION AND SUPERVISION OF THE  
SUPERINTENDENT OF EDUCATION, DELHI.

\*588. (c) A day or two before the inspection of a local high school by the Inspection Committee appointed by the Board of Secondary Education, Delhi, an anonymous complaint was received by the Superintendent of Education, Delhi, stating that the Headmaster of the school concerned had been suspected of participation in the activities of an undesirable Association. On inquiry it was found that he had left the service of a school in Ambala because he was suspected of participation in non-co-operation activities but that since he joined the Ramjas School, he had taken no part in any anti-Government movement and was also ready to promise that he would have no connection with any such movement in future. The Inspection Committee felt that in the circumstances, there was no reason to withhold recognition from the Ramjas School.

HIGH SCHOOLS RECOGNISED BY THE SECONDARY EDUCATION BOARD, DELHI.

\*589. (a) There were two such schools, viz., the Ramjas High School No. 3 and the Kahatriya Upkarak High School. The former is maintained by the Ramjas Trust Society and the latter by the Khatri community. These were the only two schools which had applied for recognition after the appointment of the present Superintendent of Education, Delhi.

(b) (1) & (3). Yes.

(2) The Superintendent of Education has a nominee on the Inspection Committee, but the District Inspector of Schools was not nominated by him to either of the Committees appointed to inspect the two schools mentioned in the reply to part (a) above.

(c), (e) and (f). A reference is invited to the reply to part (c) of the Honourable Member's question No. 588 which has been placed on the table of the house to-day.

(d) Yes. As the correspondence is of a confidential nature, it cannot be made public.

ELECTION OF THE DEPUTY PRESIDENT.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now proceed to elect the Deputy President. Since my announcement of yesterday, Sardar Sant Singh, Sir Abdulla-al-Māmūn Suhrawardy, Rao Bahadur M. C. Rajah, Mr. S. G. Jog and Mr. N. R. Gunjal have intimated that they have withdrawn their candidature. The election by ballot is thus limited to two candidates, Mr. Abdul Matin Chaudhury and Mr. Muhammad Yamin Khan.

The rules regulating the manner in which the ballot shall be held have already been circulated to Honourable Members.

Honourable Members will now come up to the table and receive the ballot papers in the order in which the Secretary will call their names. After receiving the ballot paper each Member will record his vote at the table behind the President's Chair, and hand it to the Secretary.

(The Ballot was then taken.)

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The result of the voting is that Mr. Abdul Matin Chaudhury has secured 64 votes and Mr. Muhammad Yamin Khan 56 votes. (Loud Applause.)

I, therefore, declare, under Standing Order 5(3) of the Legislative Assembly Standing Orders, Mr. Abdul Matin Chaudhury to be duly elected Deputy President by the Assembly. (Loud Applause.)

By Statute this election requires His Excellency the Governor General's approval, which will be sought and announced to the House in due course.

ELECTION OF THE STANDING COMMITTEE ON EMIGRATION.

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, I move:

"That this Assembly do proceed to elect in such manner as the Honourable the President may direct, eight Non-Official Members to serve on the Standing Committee on Emigration".

The motion was adopted.

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

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, 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 Mr. R. K. Shanmukham Chetty): I may inform Honourable Members that nomination for the purpose of election of Members to the Standing Committee on Emigration and Standing Committee for the Department of Education, Health and Lands will be received in the Assembly Office up to 12 noon on Friday, the 24th March, 1933. The election, if necessary, for the Standing Committee on Emigration will take place in this Chamber on Tuesday, the 28th March, while the election for the Standing Committee for the Department of Education, Health and Lands will be held on Thursday, the 30th March, 1933. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE WHEAT IMPORT DUTY (EXTENDING) BILL.

**The Honourable Sir Joseph Bhore** (Member for Commerce and Railways): Sir, I move:

"That the Bill to extend the operation of the Wheat (Import Duty) Act, 1931, be taken into consideration".

This measure, Sir, I might describe in botanical language as an annual. It needs therefore less elaborate descriptive treatment than it would normally do. It is, however, necessary for me to explain the wheat position as it stands today in order to justify the measure which I have placed before the House. There are two factors, Sir, which seem to me to dominate that position today,—factors which render it necessary to take the action that we are taking in this Bill. Firstly, Sir, as far as information is available, there is today a larger exportable surplus of wheat in non-Indian areas than there was this time last year. That is the first thing. The second factor is that the world price of wheat is far below

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LEGISLATIVE ASSEMBLY.

[21st MARCH 1933.]

[Sir Joseph Bhore.]

the price of wheat in India at the present moment. The price of Australian wheat in London stood in January of this year at Rs. 2-10-8 a maund as against Rs. 3-2-6 a maund in January last year and as against Rs. 3-4-0 in March last year. On the 18th February this year, the price at Lyallpur was Rs. 3-4-6. When compared with the London price of Rs. 2-10-8, it will be seen that Indian wheat is entirely out of parity with world prices. Incidentally, Sir, the figures I have given would show that even if Lyallpur wheat were carried for nothing to London, it could not possibly compete there at present prices with Australian wheat.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): Has the Honourable Member got the figures of Australian wheat in Australia?

**The Honourable Sir Joseph Bhore:** No, Sir. I have not. I ought also, I think, to add that though this year we do not expect any appreciable surplus of Indian wheat, the Indian production is likely to meet the Indian demand.

**Diwan Bahadur A. Ramaswami Mudaliar:** How many million tons?

**The Honourable Sir Joseph Bhore:** The forecast is very uncertain at the present moment, but I should say it was in the neighbourhood of about nine million tons. That is a very speculative figure at the present moment.

Now, Sir, what follows from the operation of these factors to which I have referred, namely, first, the fact that there is a larger exportable surplus of wheat in non-Indian exporting countries than there was in the past year and, secondly, that the world price of wheat is far below the price at the present moment obtaining in this country. It seems to me that the conclusion is irresistible that foreign wheat would swamp the Indian market at a price which would be wholly unremunerative to the Indian producer if the import duty were removed or appreciably reduced. Now, Sir, obviously there are conflicting interests in this case. Obviously, the interests of the consumer are at variance with those of the agriculturist, the primary producer. I will say at once that so far as I personally am concerned, I do not like the principle of this wheat import duty, but I like still less the prospect of seeing the Indian cultivator squeezed out of cultivation by a competition which in certain cases is subsidized and in all cases uneconomic. Now, Sir, in deciding whether there is any justification for this measure, I have asked myself two questions. Firstly, whether the heavy duty we have imposed in the past has really unduly penalised the consumer of wheat in this country and, secondly, whether any safeguards exist to prevent the Indian consumer from being charged unreasonably high prices. Let me take the first of these two points. I have had prepared a statement of the wholesale prices of wheat per maund in Calcutta for the last 10 years, that is, since 1923, and I find that the prices today are very definitely lower than the prices which obtained at any time between the years 1923 and 1930. Now, Sir, I admit that prices generally have fallen and we must take into account the reduced purchasing power of the people. But, even taking these factors into consideration, I submit that, on the evidence of the figures I have, it cannot be contended that the consumer has been unreasonably treated in comparison with the burden he had to bear before the import duty

years. The second question, namely, whether safeguards exist in order to prevent an unreasonable rise of prices at any time is of particular importance this year when we are not likely to have any appreciable surplus of wheat grown in the country. My reply, Sir, to this question must be, I think, in the affirmative. There is, in the first place, what I would call an automatic safeguard, the safeguard afforded by the much lower world price of wheat. Within the last few weeks we have seen that automatic safeguard in operation and it has functioned effectively and satisfactorily. Now, let us see how that automatic safeguard has operated. Under the shelter of the import duty, Lyallpur prices were steadily raised until they stood at Rs. 3 per maund in November last, at Rs. 3-3-0 at the end of December and at Rs. 3-4-6 on the 18th February. Now, this rise at once provoked foreign competition and, within the last few weeks, we had imported into this country something like 32,000 tons of foreign wheat. The immediate result was the bringing down of the price to Rs. 3-3-6 on the 25th February and to Rs. 3-2-6 on the 4th March. I regret that I have not got later prices to give to the House. I was expecting them this morning, but the information has not yet reached me.

**Sardar Sant Singh** (West Punjab: Sikh): May I inform the Honourable Member that on the 18th March the price was Rs. 2-14-0 at Lyallpur?

**The Honourable Sir Joseph Bhore:** These are the prices that I have got from my officers and I am afraid that I must adhere to the accuracy of the figures I am giving to the House so far as they go. I merely mention these figures to show the effectiveness of this automatic safeguard and it is a safeguard which functions without the intervention of the Governor General. Then, Sir, there is another safeguard, namely, the power given in the Act itself to remove or to lower the duty in case we find it necessary to do so in the interests of the consumer. Now, I want to make it perfectly clear that we consider that an effective instrument and we propose to use that instrument if we find that it is essential in the consumer's interests. I do not propose to say very much more at this stage except to refer to one very important matter. It has become quite clear that the artificial raising of the price in this country has very seriously affected our export trade in flour to destinations outside this country. That is a very serious matter and it requires immediate attention. We cannot, I submit, with equanimity contemplate the further shrinkage of our already attenuated export trade and we are considering means by which we shall be able to give relief at the earliest possible opportunity to this particular export trade. I am not in a position today to outline the measures that I propose to take, but I can assure the House that these measures will be taken at the earliest possible opportunity. Sir, at the present moment there is nothing more that I would like to say and I make my motion for consideration.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That the Bill to extend the operation of the Wheat (Import Duty) Act, 1931, be taken into consideration."

**Mr. G. Morgan** (Bengal: European): Sir, I have listened with great attention to what the Honourable Member said in moving this motion before the House, but I am sorry to say that I must oppose the motion. For the last two years, we have been going very carefully into this ques-

[Mr. G. Morgan.]

tion of the duty on wheat, and arguments for and against have been freely placed before this House. On the 11th February, 1931, in answer to a question which was asked in this House, the Honourable Member for Education, Health and Lands replied, after giving various figures:

"In these circumstances the Government consider that the prohibition of import would have no effect on the internal prices of wheat and would not, therefore, have assisted agriculture."

Now, Sir, I contend, and the Honourable Member has also stated, that we can take it there is no exportable surplus this year. Even in 1931, Sir George Rainy, who was the then Commerce Member, said that he was doubtful, or at any rate he had no data to substantiate the contention put forward that there was a large surplus of wheat. I think, Sir, if the position is gone into carefully from March, 1931, it has been definitely proved that that exportable surplus was not in existence. And now what is the position? It is agreed on all sides that there is no surplus wheat in India today. It is also agreed that stocks are very low. It is also agreed that the acreage is four per cent. less this year than last, and last year there was just sufficient wheat for consumption. The question is really one affecting the mill suppliers of flour and the consumers who get their flour from Karachi, Bombay and Calcutta. I am not talking about export trade to which my Honourable friend, the Commerce Member, referred. As regards consumers in India, supplied by those three ports, there is no doubt that today there is a burden on the consumer. The prices today for Australian wheat landed at Karachi is, I understand, Rs. 2-10-0 per maund or Rs. 2-11-0 per maund, and freight to Lyallpur from Karachi is Rs. 0-11-4 or 0-11-6 pies; so, if there was an exportable surplus, Lyallpur would have to sell at Rs. 1-15-4 per maund. The price today, I say today, because my Honourable friend, Sardar Sant Singh, has given the price for the 18th March, is Rs. 2-14-0 per maund, the price quoted by the Honourable the Commerce Member was perfectly correct for the date for which he gave it—viz., 4th March, Rs. 3-3-6. Since then, whether there is an idea that there will be a lower duty and the speculators are getting frightened, or whether the position is, as my Honourable friend, Dr. Ziauddin Ahmad, always says, that the moment the harvest begins to come into the market and the agriculturist is more or less forced to get rid of a very large percentage of his produce, the prices immediately begin to go down, ultimately to be raised, and on a statistical position such as we have,—to be raised by the middleman.

**The Honourable Sir Joseph Bhoré:** I do not want to interrupt my Honourable friend, but is it his case that the new harvest has come into the market already?

**Mr. G. Morgan:** I did not mean to convey that the new wheat was coming in, but anticipating that the new harvest would not be very long in coming in, speculators are always in advance of markets if they want to make a profit. Sir, I still maintain that so far as the ports are concerned, a case for the consumer has been made out. We gain no advantage in the ports from our geographical position. We would only import even if we were going to use entirely Australian wheat for the mills,—we would only import something like 4·3 per cent. and in the arguments which were put forward . . .

**Diwan Bahadur A. Ramaswami Mudaliar:** 4·3 per cent. of what?

**Mr. G. Morgan:** It is estimated that the production of wheat in India is about 9 million tons, and the consumption of the mills at the ports would be approximately 4·3 per cent. of that amount. As the shortage in acreage this year is given as four per cent., we may calculate that even if the mills of these three ports were allowed to import what they required for their production, free of duty, it would only fill up the gap. I must say I cannot follow the arguments put forward by the Honourable the Commerce Member with regard to the consumer's position. We know that, so far as Bengal and Assam are concerned, there is a considerable consumption of wheat, but unfortunately that has been steadily going down. It is now estimated to be 25 to 33 per cent. less than what it was last year. We also know from the statement made by the Honourable the Finance Member for the Government of Bengal that the purchasing power of Bengal is, about, 60 per cent. lower. The value of the crops—jute and rice has fallen by approximately 122 crores—that is the loss in value of those two crops alone. Therefore, we may take it that the purchasing power of the Bengal agriculturist has considerably decreased. If the peoples' purchasing power has decreased and they are accustomed to consume a certain quantity of grain food which has gone up a 100 per cent., while other grains have not increased,—some of them have decreased—they are thrown on to a different class of food which we know is not so sustaining as wheat. I understand that it is the desire of people in India to have as much wheat consumed as possible owing to its particular qualities. Sir, I doubt whether my Honourable friend, the Commerce Member, will agree with me when I say that the consumers' case is a very strong one, but leaving out the internal markets of the wheat growing districts where they can buy their wheat at the local prices, Karachi, Bombay and Calcutta have to buy their wheat up-country plus railway freight. That immediately puts a very large amount on to the cost of production. Now, suppose those three ports were able to buy their Australian wheat at Rs. 2-8-0 to 2-10-0 per maund: they could only use it locally for the production of their flour, because up to a point the railway freight would kill it going up just as much as it kills it going down. So that I must say I hold that the ports are entitled to consideration in this matter. We have a geographical position, and the Railway Board made great stress over the geographical position of the Punjab and the United Provinces; we have a geographical position which is perfectly useless to us. In fact it is a handicap, because we are not allowed to utilise the port of these three places to bring in the raw material which is necessary for the mills at those ports. We are compelled to bring it from up-country at a very high cost. In opposing this motion, I would mention that in Bengal we feel this class of legislation very deeply. It was only yesterday that my Honourable friend, who has brought forward this motion, deplored certain inter-provincial feelings which were aroused. I can only tell Government that it is this class of legislation which rouses the strongest inter-provincial feeling. We in Bengal unfortunately have got more to feel in that way than any other province. We have got this wheat duty, we are presumably going to have a salt duty, we have a corrugated iron sheet duty and we are not allowed to touch our own money in the way of the jute export tax.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Are you the only people who use corrugated iron, etc.?

**Mr. G. Morgan:** Yes, practically so. We are the largest users of corrugated iron.

**Sir Cowasji Jehangir:** And are you the only people who eat wheat in India?

**Mr. G. Morgan:** I am only saying that we use wheat and we have got to pay more for it than it is necessary. Who else uses it has nothing to do with me; they can speak for themselves. We certainly feel that this export duty should now be taken off. And I can find nothing to justify the continuation of this duty. A great stress was made in 1931 that if there was no surplus, and there was a hardship on the consumer, there was no justification for this tax. With all due deference to my Honourable friend, the Commerce Member, the points which he has put forward for the continuation of his tax do not weigh with me. I, therefore, oppose the motion.

**Sirdar Harbans Singh Brar (East Punjab: Sikh):** Sir, I rise to support the motion of the Honourable the Commerce Member. He has, in a few minutes' speech, quite well explained that the agriculturists are in a bad plight and that until and unless this duty on foreign wheat is maintained, the prices are likely to go down very materially which will affect the agriculturist in meeting his liabilities. And I personally think that he will not be able to pay even the Government dues like land revenue and water rates until and unless we come to his rescue as we have done during the last two years. As far as figures are concerned, my Honourable friend, Dr. Ziauddin, will give you enough for your consumption; I can tell just a few bare facts. I have had recently occasion to go round different centres in my constituency which is purely agricultural and is about 250 miles in length and 150 miles in breadth. In many parts of it people do not get as the price of their total produce, even  $\frac{1}{4}$ th of what they have to pay to Government as land revenue, I mean the part from which my Honourable friend, Captain Lal Chand, comes. We have been reading recently regarding a famine in Hissar and the adjoining portions thereof where Government had to spend many lakhs of rupees during the present year to provide the people with the necessary help so that they may continue their farming and their occupation of agriculture, and providing them with fodder for their cattle, and by giving better facilities regarding water, and so on. I personally have experience of three districts where I own land, and get farming done. They are far distant from each other and in different parts of the Punjab. In two of them, my experience, during the last three years, has been that I have to pay the major portion of the land revenue and water rates from my own pockets and I do not get enough from the land to pay even the land revenue and the water rates. These districts are Hissar and Shahpur. In Hissar it is due mostly to less produce and in Shahpur to very high water rates and land revenue. In the Central Punjab, where I come from, i.e., Ferozepur, there also it is due to this duty on the importation of wheat which has brought the level of prices to something barely enough to bring us an income at the rate at which wheat is sold when we market our produce to meet Government liabilities. The indebtedness in agricultural areas has, I think, gone up about two or three times than what it was before, because all their personal needs are to be provided for by incurring debts. Govern-

ment are very stiff in collecting their land revenue and water rates. They put people in jail if they do not pay within a specified period and so what the agriculturist does is that, as soon as he reaps the harvest, he takes it to the market and sells it to pay Government dues.

**An Honourable Member:** What about their gold?

**Sirdar Harbans Singh Brar:** I do not know wherefrom my Honourable friend, the Finance Member, gets the idea that so much gold is lying with the agricultural people. At least from my personal experience I claim to know it much more than the Finance Member, because, in his official position, he does not get any opportunity of acquainting himself with the condition of the masses. I am perfectly sure, Sir, that there is no gold left—what to say of the poor people—even with the middle classes. There may be gold and perhaps platinum and diamonds with my Honourable friends, millowners from Bombay or Calcutta, or perhaps with the city bankers, but, as far as the peasants are concerned, I do not feel any doubt in my mind, having come in contact with them during the last three years so intimately, that there is absolutely no reserve of gold at the present moment left with them. They have all pawned it with the money-lender and the money-lender in turn has sent it to Calcutta and Calcutta has sent it to Bombay for export to foreign countries and all the gold which found place in other countries as exported gold from India is what is called the distress gold. So, I think that it is highly essential that in these present times we should come to the rescue of the peasant at the proper moment and do not lead him to any acts of desperation. We have known, Sir, that the King has made Lords and he can still make them, but the peasantry once destroyed can never be made. India being mostly an agricultural country and agriculture being its greatest means of providing food to the peasantry to live on, it is necessary much more, even than the key industries as they are called in other countries, that it should receive adequate protection, and if we do not help them now, then the people will give up agriculture altogether. Industries are still in their infancy and, if we do not help agriculture, we will be in another financial plight. England, which is highly industrialist, feels that by giving up agriculture she made a mistake as will be found from the Land and the Nation schemes of Mr. Lloyd George. India, whose industries are still in infancy, still in an unfinished stage, cannot afford herself to give up agriculture at the present moment in any case, and we must do even more than what the Government suggest at the moment, if we can, by way of increasing the rate of duty, because we must now provide the peasant not only with enough resources, by way of marketing his grain, to pay the Governmental duties, but for himself also, he having incurred heavy debts which he has been unable to pay due to the lowering of prices of his produce, his credit is absolutely finished. He cannot get money from the money-lender, because he has not been able to pay interest on it for the last three or four years. He cannot get money from the co-operative banks, because their resources are depleted and the Provincial Governments are not in a position to advance money to the co-operative banks at present due to their own financial plight. So, the agriculturist has nowhere to go to meet his dire necessities of life, what to say, of entering into luxury. Therefore, I would request the Honourable the Commerce Member, if he could see his way, to accede to the



[Sirdar Harbans Singh Brar.]

reasonable amendment of my Honourable friend, Sardar Sant Singh, which I hope he will move in due course. But in any case, I would press on the Honourable Members of this House not to be misled by the views put forward by Mr. Morgan and accept his amendment. I think if we accept Mr. Morgan's amendment, we will ruin the agriculturist altogether. The only course open to us would be when we and the Government are agreed in helping the agriculturists to support the motion of my Honourable friend, the Commerce Member. With these few remarks, Sir, I commend the Bill for the acceptance of the House.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, I thank Mr. Morgan for his kindness in bringing forward for the first time the interest of the consumers. Whenever he spoke on previous occasions, he brought forward the interest of industries and the interest of commerce, but today I am glad that he has changed his mind and he has brought forward the case of a poor consumer like myself, so that we may get wheat rather cheap. As in the case of the textile and other industries, so in the case of wheat we should take the broader interest, that is, the interest of the agriculturists who form more than 80 per cent. of the population. It is an admitted fact,—Mr. Morgan knows it—that prices of the agricultural products have gone down to a larger extent than the prices of the finished articles. Sir, it is an established fact, and the Honourable Sir George Schuster has also emphasised, at the Ottawa Conference and, again, on the floor of this House, that the price level of these agricultural products has gone down very low and it is the root cause of many troubles that are before us, and it is very desirable that the price level ought to be raised and then stabilised at a higher level. Now, I would ask the Honourable the Finance Member what steps he proposes to take to raise the prices of agricultural products? Here is one step that is definitely proposed by my Honourable friend, the Commerce Member, i.e., by putting this wheat duty we are going at least to stop cheap wheat from other countries coming to India and the price level which is already low will not get lower still. This Bill, which is now before us, though indispensable and necessary for raising the price level, is not sufficient. We want something more and that thing is very desirable to be done. In this connection Sir Zulfiqar Ali Khan gave notice of a Resolution. The Resolution runs as follows:

“This Assembly recommends to the Governor General in Council to appoint a Committee to investigate and report on:

- (a) the measures to be adopted to raise the price level of wheat in harvest time so that agriculturists may be benefited by it,
- (b) the manner of maintaining fair proportion between the price of wheat at harvest time and the price of wheat at other times of the year,
- (c) the method to be adopted for lowering the cost of production.
- (d) the facilities of movement of wheat from Upper India to ports and to non-wheat growing regions.”

Now, this Resolution unfortunately could not be discussed on the floor of the House as it was unfortunately placed far below the list. But I hope the Government would take action for raising the price level of the agricultural products, and, though the passing of the Bill is a necessary

condition for raising the price level, I am afraid it is not sufficient. We want some action in order to raise and stabilise price level. My friend, Sirdar Harbans Singh Brar, says that the price of the wheat at the harvest time is much higher than the price of it at other times of the year. In the case of the United Provinces it was 23 seers per rupee at the harvest time. Now, it is 12 seers per rupee. Now, in the case of Lyallpur, my friend, Sardar Sant Singh, will quote figures and there also prices were raised as soon as the harvest sales were over. What is the reason of this great divergence in the price level at two times of the year? Here also my Honourable friend, Sirdar Harbans Singh, said that it is due to two considerations: one is that the agriculturists are compelled to sell their products at whatever price they can fetch in order to pay the land revenue, and the second is that they have also to pay to the local bankers on account of the interest charges and to pay off the loan which they took for the purchase of seeds. For the purpose of meeting immediate payment, agriculturists practically had to sell their wheat at any price that merchants were willing to offer. He lives for the rest of the year by borrowing. There is no doubt that, on account of these borrowing difficulties, many persons have parted with the small saving which they had in the

shape of gold ornaments. My Honourable friend, the Finance Member, has given the total amount of gold exported from this country, but he is not prepared to admit that the amount which has been drawn for export has mostly been drawn from places which depend entirely upon agricultural income. I think it is very desirable to take a census about the provinces from which the gold has been drawn for export purposes and I believe that gold has been mostly drawn from the provinces which really depend to a large extent upon the agricultural products and they had to sell it in order to pay the land revenue and to meet the ordinary requirements of their daily life.

Now, coming to stabilisation of price level, at all times of the year, we should have facilities of movement. The freight from one place to another is very heavy, and the local tradesmen practically control the entire market. They purchase the wheat at harvest time at very low prices, as the agriculturists have to part with their wheat in order to pay land revenue; and, as soon as the whole of the commodity has been purchased, the local tradesmen practically demand whatever they can, and the only possible check is the free movement of wheat from place to place. So, unless the Railway Board comes forward and reduces the freight for easy movement from one place to another, it will be exceedingly difficult to keep up the price level at different times of the year in the same district. In this connection may I just draw attention to the suggestion about the economic survey in particular districts? I think if we take economic statistics in selected areas—say a place like Lyallpur in the Punjab which is the centre of the wheat growing districts, and a small place in the United Provinces like Etawah and calculate exactly the amount of wheat that is grown there, the amount of consumption in that particular district and the movement from place to place within the district itself and between one district and other districts,—if these statistics are collected, even for two districts, one in the Punjab and one in the United Provinces, then we may be able to draw a fair inference as to the steps we ought to take in order to stabilise prices at different times of the year. This I commend to my friend, Mr. Morgan, the benefactor of the consumers, and I

[Dr Ziauddin Ahmad.]

would be very pleased if I could purchase wheat at uniform prices at all times of the year. At present what happens is this: that the agriculturists are not benefited by the higher price level at other times of the year, but only the local tradesmen are benefited by it. In old days when India was exporting wheat to an appreciable extent, the prices at harvest time were determined by the export purchasers. In old days, that is, in pre-war days, India contributed 7·7 per cent. of the entire export trade. But now the share of India in the export is practically infinitesimal. She has ceased to be an exporting country so far as wheat is concerned, and the reasons are not far to seek; because we find from the figures given out, that the price of Indian wheat in London is Rs. 2-11-2 per maund, and the price of Argentine wheat is Rs. 2-6-5 a maund and of Russian wheat Rs. 2-4-1 a maund. While we were discussing the Ottawa Agreement, I pointed out on that occasion that the preference of 2s. which we have already got is really no good to us, because even with this preference it is impossible for India to compete in the world market or to capture it to any appreciable extent. In order to capture the world market, we should be selling wheat in Lyallpur at 28½ seers to a rupee, which is really impossible for any agriculturist to sell with any chance of profit. India no doubts is an agricultural country, but the method of agriculture here is very different from the method adopted in other countries. In the first place we have got a very large population, and, if we begin to use machinery, then a large number of these village workmen will go out of employment; and they will have no work to do. Therefore the introduction of machinery is not really an unmixed blessing as far as India is concerned. The second thing is that the land here is divided into such small holdings that it is impossible to use machinery with any great advantage or economy. It is the experience of a large number of the zamindars, that I know of, that whenever they attempted to open farms and to introduce machinery recommended by the Agricultural Department, they became bankrupt and I would like to be told of any instance to the contrary, where a landlord, by using the so-called improved methods of the Agricultural Department, made any profit. The reasons are not far to seek. The Agricultural Department carries on these experiments not under economic conditions. They are really concerned with only one thing and that is with showing good crops and good seeds, but they are not concerned about the cost: that thing is left out of consideration. Another thing is that the machinery because, in the case of the ordinary implements, the local carpenters can always repair them, whereas, in the case of the machinery imported from Europe, it is impossible for these men to repair them. I remember a very good story: one of the officers of the Agricultural Department went to a landlord and asked him to introduce improved forms of machinery; and he replied as follows: first of all come and teach our carpenters how to repair the machinery and, afterwards, we will consider whether we should introduce it or not. The moment the officer heard this reply, he said that it was a hopeless task and that landlord at least was no good to him. This is the case of the Agricultural Department; I think they are committing two sins: in the first place, they are wasting large sums of public money collected from poor tax-payers, and the second sin they are committing is that they are trying to teach certain methods of agriculture which are

most unsuited to the Indian conditions and thus ruin them. If we are to follow those methods rather than our own methods of agriculture, it is impossible for us to compete on economic conditions with the countries which have got large fields and expensive manual labour and which must necessarily depend upon the use of machinery; and we, who have to support our own people in the shape of employment of labour, who have not got very large amount of lands in one particular place, it is impossible for us to compete with them. Therefore, I think the idea will have to be given up for ever, or at least for the time being, that India could export wheat and be able to regain the position she once acquired before other countries came into the field.

Coming to export, I find that at one time—we exported 12,971 tons of wheat in 1929-30: 196,505 tons in the following year: and 20,215 in 1931-32; and this year, during the last ten months, we could only export 1,990 tons. That is all that we could export, and I think the chances for exports in the near future are very remote.

Coming to imports, I find that we had been importing very large quantities of wheat before the Import Duty Act came into operation. Our import in the year 1929-30 was 367,036 tons, in the following year it was 332,031 tons and next year it came down to 111,269 tons, and, during the last ten months, we have not imported even one grain of wheat into India, and I am told,—I have not got the figures before me,—that we have imported a small quantity in the months of February and March this year, but even this small quantity is really not necessary for us, because we have got more wheat than we can possibly consume. My friend, Mr. Morgan, has stated that the probable estimate of production in the coming year is nine million tons. Our average is 9½ million. At present the people are not growing wheat, because there is no market for it. We can grow as much as 10½ million tons, but assuming nine million tons to be the probable estimate of our production, our consumption is only about 8½ million tons. I do not agree with the figure given by Mr. Morgan when he gave nine million tons. I think if he will take the figures for the last few years, he will find that nowadays people are consuming slightly more wheat than they did before as there was no market for it and they did not want to waste it. We have at present more wheat than we could possibly consume, and, therefore, it is very desirable that the first step we should take in order to raise the price level, in order to save the agriculturists from ruin, is that we should stop the import of wheat altogether, and if the import is beginning to come in from the month of February, as my distinguished friend says, then there is every justification to raise the import duty instead of lowering it. This step, as I said, is very necessary, but that alone is not sufficient. We have to take other steps as well in order to find a market for our wheat in different parts of India, and also to stabilise the price levels at different times of the year. A thorough enquiry on the lines suggested by Sir Zulfikar Ali Khan is essential to meet the situation.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Sardar Sant Singh:** During yesterday's discussion on the Cotton Textile Industry (Protection) Bill, my Honourable friend, Mr. Ghuznavi, and my other friends from Bengal complained that the Punjab had become one of the favourites of Government along with Bombay and that the Government had been bestowing more attention on the Punjab and Bombay than on any other province. This was the first time that I heard of the Punjab having become a favourite of the Government of India. As a matter of fact, our complaint has all along been that the Punjab agriculturist has not received that attention from the Government which he has a right to expect. My own view is that the poor agriculturist belonging as he does to that section of the people which is least vocal in its demand or in expressing its grievances is neglected whilst vocal interests, both industrial and commercial, have big organisations behind them with the result that the press, the platform and this House listens to them more than to the poor agriculturist. Even today during the course of the debate on this measure I find that the press gallery is almost vacant, the visitors' gallery is deserted and this House is so very thin . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member should not make any reference to the press gallery or to the visitors' gallery at all.

**Sardar Sant Singh:** I beg to withdraw that remark, Sir. The reason is that the poor agriculturist is less vocal in his demand and in asking for the redress of his grievances.

In the economic sphere of a country, Sir, agriculture occupies a high place. It will be admitted on all sides that the prosperity of the agriculturists leads to the prosperity of all interests. There can be no better illustration of this fact than what we have been witnessing during the last three or four years. The trade depression which has come on the country began with the distress of the agriculturist, and it continued, is continuing and will probably continue till the agriculturist is protected from adverse influences and brought to a higher level of life than he is at present enjoying. By referring to the statistics we find that, so far as wheat is concerned, 50,000 tons of wheat were imported in India in the year 1927-28. This figure went up ten times—it became 500,000 tons in 1928-29. In 1929-30, it fell to 350,000 tons, but still seven times the import of 1927-28. I have not got the figures for 1930-31, but the imports for that year too will be found to be somewhere near that figure. It is difficult to understand in a country like India which mainly depends upon agriculture why agricultural produce should be imported from outside. Lyallpur, the town to which I have the honour to belong, is known to be the granary of the Punjab, it is the chief wheat producing single district in the whole of India. Probably it may have to yield its place to certain districts in Sind when the Sukkur Barrage scheme is in full working order. I remember during one of those years wheat was actually imported in the Lyallpur mandi. We saw Australian wheat being sold in the Lyallpur market. It was then high time that Government should have taken steps to check the menace that faced the agriculturist. But Government took no notice of this menace for a long time. Even on the 11th February, 1931, when a question

was put regarding the grant of protection for Indian wheat from the Australian wheat competition, the reply that was given was that an import duty on wheat would not affect the cultivator. Later on we find that an import duty of Rs. two per cwt. was levied upon the import of wheat from Australia with the result that the wheat imports appreciably fell during the time that the Wheat Import Duty Act has been in force. A reference to the Sea-Borne Trade and Navigation of British India for January, 1923, page 47, will show that while wheat was imported to the extent of 26,105 tons in the month of January, 1931, it was not imported at all in the month of January, 1932, and also none in the month of January, 1933. Similarly, the import of wheat in the ten months from 1st April to 31st January in 1930-31 was 1,24,293 tons; in 1931-32, it was 1,11,269; and in 1932-33, it was nil. So, to say that the import duty has not affected the import of Australian wheat into India is not correct. In the same period we find that the export of wheat during these ten months of 1930-31 was 1,95,262 tons, in 1931-32, it was 19,650, and in 1932-33, it fell to 1,990 tons. That is to say, during these years, the export trade in wheat almost vanished, while import was stopped on account of this import duty, with the result that the prices that were prevailing at the time when this wheat import duty came into force went up from something like Rs. 1-12-0 per maund to about Rs. 2-6-0 per maund in the early days and it touched the high level of Rs. 3-4-0 per maund. As soon as it touches this level of Rs. 3-4-0, at once came the threat of import from Australia into the port towns of India, with the result that the price level stood somewhere near Rs. 3-2-0. Of course, I am quoting prices of the Lyallpur Mandi for wheat. Later on, it fell again and, on the 18th March, the price stood at Rs. 2-14-0 per maund. The quotation for the months of June and July, when the agriculturist markets his produce, is Rs. 2-7-0.

Now, these prices fell, because there were reported to be certain bargains with the mills in the port towns and that affected the market immediately. There is another factor which is acting in reducing the price level and that is the uncertainty of the quantity of wheat that will be produced in Sind. This is the first year that wheat has been sown and probably they will harvest it very soon and this uncertain factor is affecting the price level at Lyallpur. We have to see that the highest price level which this import duty can maintain is Rs. 3-4-0 per maund in India. No sooner the price begins to rise higher, the threat of Australian competition keeps the prices down. We have to consider whether this rate of wheat meets the cost of production of the agriculturist. What is the margin of profit left to him. The House is aware that during the last three years not only the Government of the Punjab but also the Government of the United Provinces and probably other provinces too had to remit a part of the land revenue so that the cultivator may be able to meet the Government demand from the produce of land. But the cultivator was unable to meet the Government demands from the produce of his land. The result was that he had to sell his ornaments, his reserves, and even his utensils to pay up land revenue. Today we find that the agriculturist is in a very deplorable state. If I had been told a few years back that a rich district like Lyallpur was going to be so adversely affected by the low level of prices, I would have laughed at such a false prophet, but I now behold the spectacle that the Lyallpur agriculturist cannot afford to travel by train. They have not money enough to pay the railway fare to come to the Lyallpur town, and famine conditions are setting in in a place which was once a prosperous colony. Not only the agriculturists

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credit has been affected by the low level of prices. As I said in the beginning of my speech, the prosperity of the agriculturist is the prosperity of all the other interests in India. It has affected the other interests as well. Trade and commerce and mills are suffering and in consequence the Government commercial departments, such as the Railways and Posts are suffering. Even the coal industry, though it may be a far cry from the Punjab to Bengal, will be affected if steps are not taken to increase the purchasing power of the agriculturist. At present he is merely existing and if the advice that comes from Bengal is accepted by the Government, I fail to understand how the Government are going to run their normal administration. There are two ways by which the cost of production can be reduced. One way is to reduce the Government demand. Land revenue has still to be paid in rupees. Irrigation charges have still to be paid in rupees. The interest on the debts of the agriculturist has got to be paid in rupees and so is rent to the landlord.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): What about the speculative middleman?

**Sardar Sant Singh:** I shall just come to that. The value of the rupee has appreciated a good deal with the result that prices have gone down and the agriculturist is unable to meet these demands. The Government are, of course, at liberty to listen to and act upon the advice so disinterestedly tendered by our Bengal friends. We will make no complaint. But Government will have to revise the whole system of land revenue and irrigation charges and reduce them appreciably. We, in the Punjab, will welcome such a course. We will certainly like the administration to be less expensive, which result is bound to follow with lesser receipts from agriculturists. But if it be not possible to follow this course and extend relief to the agriculturist by reducing the cost of production, the only feasible alternative is to raise the price level. That other course is a common course which has been adopted throughout the world to meet the present depression in prices. There is no reason why it should not be done in the case of the Indian agriculturist. Now, my friend asks: "What about the profits of the middleman?" No doubt it is a very relevant question and a very serious question. I am at one with him that middleman's profits require to be brought down to the minimum. But the question is, how should it be done. The agriculturist has got no reserve behind him, with the result that, in order to meet the Government demand in cash, he must convert his produce to cash. As he has no reserve to fall back upon, the profits must go to the middlemen. If the condition of the agriculturist is improved and he is permitted to have some reserve, he will be in a position to store his produce for some time till the prices rise, thus eliminating, to some extent, the middleman's profits.

An objection has been raised that by introducing this measure the interests of the consumer are being sacrificed for the sake of the agriculturist. I would respectfully ask such critics a simple question: "Who are these consumers whose interests you are trying to protect?" In the present case, producers are mainly the consumers of wheat. Eighty-five per cent of the population is engaged in agriculture, they are the chief consumers of this article. Surely, Sir, you do not want to sacrifice the interests of 85 per cent for the sake of the remaining 15 per cent who are

living in towns or who are dependent upon other activities like trade, commerce and industry. As a matter of fact, the consumer and the producer in this case are one and the same body. The interests of the consumer are the same as the interests of the producer.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): In the Punjab.

**Sardar Sant Singh:** Everywhere, Sir. Either the agriculturist produces wheat or any other commodity which is eatable.

**An Honourable Member:** What about the paddy?

**Sardar Sant Singh:** As regards the paddy, or any other such commodity, I will welcome any measure, if you can devise one, which aims at securing the protection of their interests. If you seek protection for those interests . . . .

**Mr. S. C. Mitra:** We do require Government to help us to raise the price level of paddy and jute,—but the Government are sleeping; they are not helping us. They are anxious merely to help you in Northern India!

**Sardar Sant Singh:** In order, Sir, to safeguard the interests of the 15 per cent of the population, I would not sacrifice the interests of 85 per cent producers of primary products. The remedy suggested by my friend that this Bill should not be passed is not the right sort of remedy. What they should insist upon is the reduction of the railway freight. What is the railway freight? Wheat is being sold at about Rs. 2-14-0 at Lyallpur? The railway freight from Lyallpur to Karachi is about 11 annas,—that is to say, 25 per cent. of the selling price of wheat. Well, that is too high a proportion. Similarly, the railway freight from Lyallpur to Calcutta comes to something like Rs. 1-2-10. That means that the percentage of the freight to the selling price of wheat is very high. If the consumer wants any relief, he should turn his attention towards this aspect of the case, namely, that the railway freight should be reduced so that the distribution of wheat in the consuming circles may be cheaper and more uniform.

**Mr. N. M. Joshi** (Nominated Non-Official): Who will pay for the railway losses?

**Sardar Sant Singh:** As regards the railway losses, well, I am not an expert in that branch, but I, as a layman, can suggest this, that so many wagons are uselessly lying in side tracks. It will not be a bad business for the Railway Department if they are fully employed in the distribution of foodstuffs to the different parts of the country, so that if the freight rates are reduced, probably the railway will be amply compensated by larger returns. Sir, recently some railway employees visited Lyallpur and wanted the advice of merchants as to how to increase the profits of the railways. They were asked how it was that when the railways used to charge 0-6-9 freight for the Punjab wheat from Lyallpur to Karachi, they were making huge profits, while when the Railway raised the rate to 0-11-0, the

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Railway is running at a loss. Sir, it is for the Railway Department to examine the figures and to find out whether the reduction of the railway freight, especially on foodstuffs, will do good both to the country as well as to the railways or not. Sir, I was submitting to this House one fact for their consideration and that was whether this price of wheat at or near about Rs. 3 leaves any margin of profit for the agriculturist in the Punjab. Recently I made some calculations as to the return agriculturists get for their labour on land. I will particularly invite the attention of my friend, Mr. Joshi, the indefatigable advocate of industrial labour in order to awaken his interest in agricultural labour. If the wheat be sold for 2-3-0 per maund, then, after meeting Government demands, the margin left for the cultivator is one pice per head per day for labour. This high wage is left when allowance for clothes and other necessities of life is restricted to one turban, one shirt and one pair of trousers alone. (A Voice: "Per day, or per month?") This scale of allowance for clothes is for six months. May I ask, Sir, is it a living wage for any human being? Let us be a little more generous as my Honourable friend, Mr. Joshi, can afford for the wage-earners. We can only be doing some justice to the cultivator if we make an effort to raise the price level to at least Rs. 3-0-0 per maund in order to leave some bare subsistence for the family engaged in agriculture. This was the reason which prompted me to propose the enhancement of duty to Rs. 2-8-0. I want that the minimum price of wheat should range somewhere between Rs. 3-6-0 or Rs. 3-7-0. But I understand that my request for sanction of His Excellency has not been acceded to and, therefore, I shall not be able to move that amendment. However, I submit that the present Bill requires to be passed, and I support this Bill in the interests of my constituency.

**Mr. Nabakumar Sing Dudhoria** (Calcutta Suburbs: Non-Muhammadan Urban): Sir, I rise to oppose this Bill. Coming as I do from a Calcutta constituency, I cannot but oppose the continuance of the import duty on wheat any longer. It will be in the memory of many of the Honourable Members that at the commencement of 1930-31, the total Indian wheat crop was estimated at between 10 to 11 million tons. At the beginning of 1931, it was given out in some quarters, I should now say, interested quarters, that the surplus stock of wheat in India amounted to one million tons. It was also held out by those people that it was essential that that surplus stock should find a market in the very interests of the wheat-growers of the Punjab and Upper India. Such was the propaganda over that imaginary surplus that, although people interested in the industry held otherwise, by reason of the price-position then prevailing, all contrary opinions were hushed, and in spite of the arguments put forward by those who were engaged in the flour-milling industry in Bengal and the lower provinces, and although there were no precise data to go upon, this Assembly, with a view to checking the coming of foreign wheat, introduced, for the first time in 1931, a duty of Rs. 2 per cwt. on imported wheat from Australia, because such a supply had then proved a veritable rival of the Punjab produce by reason of the former's cheapness and plentiful supply in the Calcutta market. More or less for a similar reason that duty was continued in 1932, although Sir George Raine, the then Commerce Member, opined, while continuing that duty, that a smaller duty—a duty of Re. 1 per cwt.—would meet the purpose this year, the original rate, viz., Rs. 2, is proposed to be continued also this year by this Bill.

Whatever may have been the effect of the duty on the consumers in the upper provinces, the result thereof has been quite disappointing to us in the lower provinces. Although wheat may not be the principal item of food with the masses in those places, yet when we take into account the large number of upcountry people, who have either migrated into the lower provinces for either business, or living or service, or have made them their permanent home, I cannot but feel sure that we have done them here a great wrong by becoming a party to the imposition of the duty. Sir, whatever may be the price upcountry, wheat-flour is selling at 7 to 7½ seers a rupee in the Calcutta market, where 67 per cent. of the population is non-Bengalee and wheat-consuming. You can now easily understand what that uneconomical rate for such a staple-food as flour means for the general run of consumers in Calcutta and neighbouring places.

The wheat import duty of 1931 was imposed primarily to ease the situation of the Punjab wheat, especially of the so-called surplus stock in the teeth of opposition from and on behalf of people, who were being helped by a plentiful supply of wheat from abroad. Sir, I am not aware what effect the duty really had on the mythical surplus, but what I do find from experience is that, as a result of the duty, the Punjab surplus stock, instead of affording any relief by its cheapness to the Bengal consumers, has become more and more restricted and costly so far as its supply to Bengal is concerned. Of late, the restricted supply of the Punjab wheat has actually compelled us to live upon almost the famine price in Bengal. Such a state of things has come about, because the importers of Australian wheat, which was being landed in sufficient quantities in the Calcutta port for the consumption of the people of Bengal and the neighbouring provinces and which was sold comparatively cheaper, felt a great discouragement in the import duty and gradually restricted their requisition from abroad. The result of this has been that, whilst wheat from abroad has stopped coming, the Punjab supply has evidently failed to meet the demand of Bengal adequately, it may be for deterrent freight charges from the Punjab to Calcutta, with the consequence that the price of wheat there is kept above world-parity and has been selling dearer and dearer every day. Whether it is due to cornering or entire wiping off of the mythical surplus-stock is more than I can divine.

Sir, if the purpose of the duty is to raise a revenue, that is quite another matter. But if the real purpose thereof is to protect the indigenous production with a view to creating for it a ready market, the purpose has been well served. But what has been gain to a few only is loss to a great many, as a large section of consumers has been very hard hit by the rise in the price. Sir, when the earning capacity of the general run of the people in Bengal has gone down so low by reason of our primary products, rice and jute, failing to find any market anywhere—when the general economic condition of the whole province is deteriorating from day to day on account of commodity prices getting lower and lower—there is absolutely no justification for us to allow such a pressure of a duty to burden the consumers any longer.

Wider considerations than the above should also weigh with us in this connection. The stoppage of wheat from abroad has not only prejudicially affected our Customs revenue, but has also affected our jute trade, as there is no more demand for Bengal jute bags by Australia. It is for all these considerations that I strongly oppose the proposal for a

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further continuance of the import duty on wheat and would urge upon all my friends from Bengal, Bihar and Orissa to make common cause with me.

**Mr. C. C. Biswas:** Sir, it seems, age cannot wither nor custom stale the infinite variety of the ways of my Honourable friends sitting on the Treasury Benches. When, two years ago, the wheat import duty was brought on for the first time, we had then an elaborate apologia from the then Commerce Member, Sir George Rainy. The reason which was then put forward was that there was a huge surplus of wheat stocks in Northern India, and that it was essential to secure the home market for such stocks. Today, Sir, we hear a different tale from the present Commerce Member. What became of this huge surplus we do not know. Whether the surplus was a myth or not, that, again, is a matter on which different people have different views. But the Honourable Sir Joseph Bhore assured us today that the justification for the present Bill extending the duration of the duty lies in the fact that there is no surplus in the Punjab and that the estimated yield of this year is likely just to be equal to the demand. The position, therefore, comes to this. If there is a surplus, you must have to levy a duty.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Is that what the Honourable the Commerce Member said?

**The Honourable Sir Joseph Bhore:** No, Sir; it was not.

**Mr. C. C. Biswas:** Sir, I am sorry I did not correctly apprehend my Honourable friend. But, I believe he will not challenge me if I state that according to him there is not likely to be any available surplus this year. That statement is quite enough for my purposes. The position comes to this, as I was saying. If there is a surplus, there must be a duty. If there is to be no surplus, there must yet be the duty. We are left wondering if the time will at all come when the duty will be taken off. My friend, the Honourable Sir Joseph Bhore, in the course of his remarks referred to certain safeguards which were there in the present Act, safeguards for the consumers. He referred, I believe, to section 5 of the Act which authorises the Governor General either to remove the duty altogether or to reduce it, if in his opinion circumstances came into existence which justified such action. I should like to know if the Government made any inquiries since the duty was imposed to find out whether there had been any change in the circumstances which would justify some reduction of the duty, if not the total removal of it. Sir, the figures which the Honourable the Commerce Member gave.—I am sorry I could not take down all of them as he gave them,—but they show that things have not remained stationary. There have been fluctuations; there have been upward tendencies and there have been downward tendencies. Do I understand, Sir, that there never arose any occasion when the Government might have lightened the burden to some extent on the consumer? Then, Sir, the Honourable the Commerce Member has not been good enough to explain to us how it is that the conditions today are just the same as they were in the year 1931 when this duty was imposed for the first time. It is not necessary for me to remind him

what his predecessor had said. A duty on foodstuffs represented a departure from an accepted policy of the Government. Such a duty could be imposed and its continuance could be supported only if there were exceptional circumstances, and it could be maintained only as long as such exceptional circumstances existed. Sir, I ask, where are the facts from which we may judge whether there has or has not been a change in the position today since 1931? That is a most material consideration, and I venture to submit with all deference that the position today is not what it was two years ago. My friends representing the Punjab and Upper India interests bewailed in moving terms the lot of the poor agriculturist. I believe there is not a single Member in this House, whether on this side or on the other, whose sympathies do not go out to the agriculturist in his dire distress in these days of economic depression. But, Sir, the agriculturist of one province is just as much entitled to the consideration of Honourable Members of this House as the agriculturist of another. There is no reason why you should rob Peter to pay Paul. My friends refer to conditions in the Punjab. What about Bengal, I ask? Is the consumer there in a much stronger position today than he was two years ago? Is his purchasing power greater? Is his power of resistance higher? Can he find means to pay for his necessities of life more than the agriculturist in other parts of India? Sir, I do not wish to excite inter-provincial animosities, but at the same time when the matter has been referred to, it is just as well that I place a few facts to show how the different provinces compare with one another,—not all the provinces of India, but I will take the Punjab and Bengal. Sir, if you take the value of total production of the principal crops in Bengal and in the Punjab, you find that the percentage of decrease from 1928-29 to 1931-32 is 54.1 per cent. in Bengal, whereas the percentage for the Punjab is 51.2. Summarising the position, I find in the "Review of Certain Main Items of Foreign Trade during 1932", which was circulated along with the Budget papers, this is what is stated:

"It will be seen that the largest decrease in the agricultural income occurs in the case of Bengal and amounts to over 54 per cent. in 1931-32 as compared with 1928-29. Since the close of the agricultural year 1932, the prices of jute have fallen still further and the percentage decrease would be even greater than these figures show. Burma shows a decline almost as great as Bengal and this is chiefly due to the disastrous fall in rice prices."

Then, referring to the Punjab, it says:

"In the case of the Punjab the fall is a little over 51 per cent."

So, Sir, I submit that the condition of the agriculturist in Bengal deserves as much sympathy from my Honourable friends here as that of the agriculturist in the Punjab.

**Dr. Ziauddin Ahmad:** How can we help you?

**Mr. C. C. Biswas:** My friend asks how he can help me. At any rate he can help me by agreeing to the abolition of this duty and agreeing to the abolition of the additional duty on salt. I will just read another sentence:

"As the bulk of the population in India lives on agriculture, this has a very important bearing on the purchasing power and the economic welfare of India as a whole."

That is the position; and I venture to say that this import duty on wheat has seriously contributed to the economic decline of Bengal, and it has put a burden on the consumer in Bengal heavier than he can



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sustain in these days of depression with his earning power reduced to disastrous limits. Sir, we have got to consider to what extent really we are helping the agriculturist in the Punjab by means of this duty. When this duty was imposed, it was claimed that there was a huge and substantial surplus in the Punjab. But it was pointed out by me and others at the time that if you wanted to give real relief to the producer there, you should have to find some means for the outlet of this surplus; in other words, you have got to make it easy for this quantity to be exported abroad to other countries as far as possible. Because, after all, the consumption in the home market would only cover a very small proportion of these stocks which were then supposed to be lying in the Punjab. But no action was taken by Government in that direction. If it is a question of reducing the railway freights, the Commerce Member who happens also to be the Railway Member would at once jump up and say that they cannot afford to lose their railway revenue, and that must be maintained.

**The Honourable Sir Joseph Bhow:** Sir, may I bring it to the notice of my Honourable friend that railway freights were reduced?

**Mr. C. C. Biswas:** I was going to say, and I did say on that occasion also, that railway freights were reduced to some extent. But that was not enough: it did not help in the movement of these crops to the extent one would desire. My grievance is that Government are not prepared to sacrifice their railway revenue to the extent to which they should, if they really want to help the agriculturists. It is bad policy as it is bad economics to try to help the agriculturist of one province at the expense of the agriculturist of another; and that is the position I maintain. Sir, the effect of this duty has been that it has not only kept the price of wheat in India above world parity, but it has kept it above its fair economic level in India. I have not got all the details here, but I think I am not far wrong in saying that as an effect of the duty the prices of Lyallpur wheat have gone up nearly 100 per cent. as compared with the prices before the duty was imposed.

This is the statement I have in hand which gives the prices of Lyallpur wheat as follows:

|                          | 1931. | Rs. | A. | P. |
|--------------------------|-------|-----|----|----|
| 15th June . . . . .      |       | 1   | 10 | 0  |
| 16th July . . . . .      |       | 1   | 8  | 0  |
| 30th July . . . . .      |       | 1   | 14 | 0  |
| 13th August . . . . .    |       | 1   | 14 | 6  |
|                          | 1932. |     |    |    |
| 2nd June . . . . .       |       | 2   | 3  | 6  |
| 23rd June . . . . .      |       | 2   | 3  | 0  |
| 7th July . . . . .       |       | 2   | 8  | 0  |
| 28th July . . . . .      |       | 2   | 9  | 0  |
| 18th August . . . . .    |       | 2   | 12 | 9  |
| 15th September . . . . . |       | 2   | 15 | 3  |
| 22nd September . . . . . |       | 3   | 0  | 0  |
| 6th October . . . . .    |       | 3   | 1  | 0  |
| 27th October . . . . .   |       | 3   | 0  | 9  |
| 10th November . . . . .  |       | 2   | 14 | 6  |
| 24th November . . . . .  |       | 3   | 0  | 0  |
| 8th December . . . . .   |       | 2   | 15 | 6  |
| 29th December . . . . .  |       | 3   | 3  | 0  |

## THE WHEAT IMPORT DUTY (EXTENDING) BILL.

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|                        | 1933. | Rs. | A. | P. |
|------------------------|-------|-----|----|----|
| 5th January . . . . .  |       | 3   | 1  | 6  |
| 12th January . . . . . |       | 3   | 1  | 9  |
| 19th January . . . . . |       | 3   | 3  | 6  |

These figures are taken from the *Indian Trade Journal*. Judging from these figures, I believe it is fairly clear that the price of Lyallpur wheat has risen by nearly 100 per cent. since July, 1931. Now, that is the position, Sir. If that is so, I ask, if the prices have not risen sufficiently high to justify your taking off the duty. Sir, you will find, when the Bill was moved by Sir George Rainy, that he pointed out that the object was to make the duty effective; in other words, to ensure as the result of the duty that the prices would rise, and when prices had attained a particular level, then of course the time was ripe to consider whether the burden could not be rendered lighter. I submit that having regard to the actual figures which price levels have reached, the time has come when Government should seriously consider whether or not they should lighten the consumer's burden. I will just read to you one sentence from Sir George Rainy's speech:

"The other point I should like to explain now is about clause 4. It is obvious that once the surplus is absorbed and the duty becomes fully effective in raising the prices of wheat, then a question must arise which Government are bound to consider as to whether a duty as heavy as the duty which this Bill seeks to impose would not be too severe upon the consumer. That is a point that will have to be considered. Now, if we knew accurately what the surplus of wheat in Northern India is today, and if we could estimate accurately what the consumption of wheat was likely to be, then with these precise data before us, we might have been able to adjust the amount of the duty so as to avoid the need for any special provision"—

—but as I have pointed out, again in his own words—

"but as we cannot get these data,—and there are no means by which we can get them—it seemed necessary to take power for the Governor General in Council to reduce the duty if necessary, if it appeared . . . . . that the duty was becoming a serious burden upon the consumer."

Sir, my case is that the time has now come when these conditions have come into existence that we should seriously consider the question of lowering the duty, if not repealing it altogether. Last year, when Sir George Rainy was moving the extension of the Act for another year, he had definitely thrown out a suggestion that the duty might possibly be reduced to Re. 1 per cwt. instead of Rs. 2 per cwt. I might just as well place that passage before you:

"In fixing the amount of the duty at Rs. 2 per cwt. last year, Government proceeded on the basis that it must be at such a level that there could be no doubt that, so far as securing the market for the Indian producer was concerned, it would be fully effective. It has fulfilled that object and I am not prepared to say that conditions may not be such during the coming year that a smaller duty—a duty of one rupee per cwt., for example, as recommended by my Honourable friend—would not be fully effective."

I expected that the Government themselves would propose in this Bill a duty of Re. 1 and not Rs. 2. Unfortunately, that does not appear to be the case, and, therefore, there is nothing left for us except to voice once more our protest against this policy of penalising the consumer and the consuming provinces in the interests of vocal groups. My friend, Sardar Sant Singh, said that the agriculturist was not vocal, and, therefore, he was down trodden. Sir, I hope he was speaking for the agriculturist and

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not for the speculator. If that is not so, am I to understand that the vocal groups here are groups of speculators? I will not take that view. On the other hand, I will prefer to believe that my friends here are speaking on behalf of the agriculturists. Sir, I oppose this Bill.

**Nawab Major Malik Talib Mehdi Khan** (North Punjab: Muhammadan): Sir, as I understand, the position is that this import duty is not to be levied for removing the surplus from this place to another, but to give relief to the poor person who has got some stock to sell. From that point of view we must look at the problem and see whether it is justified or not. The zamindar at the present moment is badly off. The productive power of his land has been reduced and he has got no capital to improve his soil or method of cultivation. His means of transportation in a rural area are, if anything, very poor, and the railway freights, although they have been recently reduced, are still high as compared with steamer charges and do not give him adequate relief.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) vacated the Chair which was occupied by Sir Abdur Rahim.]

Moreover, he has to pay the Government demand. He has been doing his best to meet it by selling off his jewellery, his cattle, and everything he has, but he did not fail in his duty. It is argued that as he has met this demand, why should he grumble of his poverty. Well, I may liken his condition to that of a person who has got a slight rise of temperature, say, 99°. He can move about, and do his ordinary business. It will carry him on for, say, a couple of years, or three or four, but eventually his life will be in danger. The zamindar's power of resistance is gone, and I fear that he has reached the stage of the proverbial last straw to break his back. I live in a village and know his method of work. I find that he has taken to keep more cattle at the sacrifice of his crops. Why? Because he finds that by selling ghee and other such stuff he can make both ends meet. Ghee is a commodity which readily changes hands at the local market and he can raise some money by it. But wheat, cotton and other valuable crops are exported and we want some relief for him where his exportable stock is concerned. I must point out that this relief, namely, the imposition of import duty is not enough to put him on his legs; and I would request my friends from Bengal that they should not grudge it. We are ready and more than ready to come to their help if they come with any proposal which ameliorates the condition of our brothers in Bengal; but we should not fight among ourselves. Let us have this import duty until we come to better times. Propose something and we will be failing in our duty if we do not help. With these remarks, I support the motion of the Honourable the Member for Commerce.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I was not at all surprised to find my Honourable friend, Mr. Morgan, opposing the motion on this Bill, because we know it very well that the Europeans in India are here not only to help their own brethren in England, but also their cousins and nephews in Australia. (Laughter.) But I am really surprised at the attitude taken by my friends from Bengal. The other day we saw them trying to snatch

the beggar's bowl from the hands of the Bombay millowners (Interruption)—I say trying—they had not the courage to do so, they could not do it—and now I find that the *Bhooaka* Bengali as we call it in our colloquial language—the hungry Bengali . . . . .

**Mr. Amar Nath Dutt**: I protest against such insulting epithets directed against my race.

**Sir Muhammad Yakub**: There is no disrespect meant: this is a term for favouritism. I assure my brother that the phrase *Bhooaka* Bengali, which we generally use, does not convey anything derogatory to the people of Bengal. I find that they have joined their heads together and want to pounce upon the wheat crop of Northern India like locusts. (Interruption.) I concede that the import duty which is imposed on the foreign wheat is not sufficient to raise the price of wheat in this country. But it has certainly helped to keep it where it was before. There is a tendency towards the raising of prices and, at any rate, on account of this duty the price of wheat in Northern India has not gone down still more. This is how this duty has helped us. We know that wheat is considered as a standard of price for all sorts of crop, at least in Northern India. If the price of wheat rises, the price of other crops also rises, while if the price of wheat falls, the prices of other agricultural products also fall . . . . .

**Mr. A. H. Ghuznavi** (Dacca cum Mymensingh: Muhammadan Rural): Wheat has risen, but the price of paddy has not risen; that is the trouble.

**Sir Muhammad Yakub**: That is my friend's misfortune if the price of paddy has not risen. If Government impose or can help paddy prices by imposing any other duty, I think we from Northern India will not grudge it: we will not oppose such a Bill. We are ready to help and to protect the agriculturist in India as much as we can. In fact Bengal is not the only place where they grow paddy. In my own province, the United Provinces, we also grow paddy to a very large extent, and I may add that the paddy which we grow in the U. P. is much better and much superior in quality to the rice you get in Bengal. Therefore, I am not in any way opposed to any protection being given to paddy. What I wanted to say is that if this small duty, which helps the keeping of the price of wheat a little higher than it was two years ago, is removed, it will create a great trouble in the United Provinces and in the Punjab. Before this duty was levied, we knew that the price of wheat in certain parts of the Punjab was two rupees a maund, and the cultivator could not recover even to the extent of the labour which he had to spend from the produce of his field. It was impossible for him to pay anything to his landlord and for the landlord to pay anything to the Government. Now, what the cultivators generally do, in Northern India, is that they utilise their wheat crop, and sugar cane crop, for paying the dues of the landlord, while, for the sake of their own consumption, they keep the other produce of their fields, for instance, bajra and maize and gram and all these things. So I say that the price of wheat, slight duty which is imposed is taken away, not only the price of wheat, but the price of all agricultural products in Northern India will fall down and it is difficult to see what would be the result of it. My friend, Mr. Biswas, has said something about the fall in the price of paddy and

[Sir Muhammad Yakub.]

jute in Bengal and Burma. I sincerely sympathise with my friends and I repeat what I have said, that any measure which is brought forward in this House to help these products. I think we will heartily support it; but really I cannot understand that, by removing this wheat duty, the price of paddy or jute in Bengal would rise in any way. I consider this course of action adopted by my friends from Bengal is like the policy of the dog in the manger. If they cannot get anything themselves, they think that the people in Northern India should also starve. Then the other thing is this: that Bengal is not really a province where wheat is consumed by the inhabitants of that province. We know that in Bengal the chief article of food is rice and fish. This is the staple food of the people of Bengal. If they want to abolish the duty on wheat, it is not because they want wheat for their own consumption, but because they want to import cheap wheat from Australia in order to put it in their mills and to export it to Northern India at a high price. This is all that they want. It is not in order to help the poor people of Bengal that this objection has been raised, but it is in order to help the millowners of Bengal that this plea has been put forward. I do not think, Sir, I need take any more time of the House, because there are so many Members who are anxious to speak on this Bill, and, with these remarks, I support the motion before the House.

**Diwan Bahadur A. Ramaswami Mudaliar:** Mr. Chairman, I should like to examine this Bill from three points of view; first whether in principle it is wrong to levy an import duty on foodstuffs, secondly, whether the duty suggested is on the one hand excessive or on the other hand very much under what is required for the purpose in view; and, thirdly, whether there is any particular interest, province or group of people who are specifically and prejudicially affected by the measure proposed. Let me take the first question, whether it is proper in a country like India to levy an import duty on foodstuffs. There has been a great deal said about the policy of taxing food stuffs, and those who have a memory of the riots that took place in England over such duties are often found to suggest that it is wrong to tax foodstuffs. This afternoon we had my friend, Mr. Biswas, from Bengal, repeating the same argument that foodstuffs should not be taxed. Now, the considerations that apply to England and countries similarly situated are entirely different from the considerations which ought to apply to a country like India . . . . .

**Mr. C. C. Biswas:** I pointed out that that was Government's own policy.

**Diwan Bahadur A. Ramaswami Mudaliar:** In Great Britain foodstuffs have to come from outside. The country cannot produce in sufficient quantity all the food that is required for that country, and, therefore, a taxation on the foodstuffs, by way of an import duty, necessarily means penalising the consumer. In India, on the other hand, we are in a position to produce as much as is required for internal consumption . . . . .

**Mr. A. H. Ghuznavi:** Not wheat.

**Diwan Bahadur A. Ramaswami Mudaliar:** In wheat itself we are able to produce all that is necessary. If my friends from Bengal would care to look into the records, they would find that it was not many years ago that

we were exporting a very large surplus. In 1925, we exported a surplus of over one million tons. We produce on an average between nine and ten million tons, and as the wheat growing area is expanding year after year, particularly in the United Provinces, not taking into account the Sukkur Barrage scheme which is going to bring a large acreage of wheat cultivation into existence, I say that for a long time to come, India will be in a position to produce all the wheat that will be required by her growing and increasing population. Therefore, if that fundamental is established that India can produce all her requirements for internal consumption, then the theoretical objection about levying a tax on foodstuffs by way of import duty disappears altogether. That is my first proposition, Mr. Chairman.

Then, again, the question arises whether the import duty that was levied in 1931 and which has continued during the last two years is sufficient in itself. My friend, Sardar Sant Singh, suggests that it should be increased, and other Honourable Members from the Punjab like my friend, Mr. Brar, suggest the same thing, but I think that, if they had examined the trade statistics, they would have found that they were making suggestions which were absolutely unnecessary. As a result of the imposition of the duty, barring what the Honourable the Commerce Member has said about what has happened during the last four or five weeks, we have not been able to import even Rs. 200 worth of wheat during the last 10 months of the year in 1932. The import for the ten months of the year 1932-33 comes to a few rupees, Mr. Chairman. It has been absolutely stopped. On the other hand, my friend, Mr. Morgan, wants to reduce the import duty that has been levied. What is the purpose of levying this duty? It is not either to raise the internal prices or to prevent mere dumping into the country. I think my friends have essentially misconceived the purpose of this Bill. The real purpose of this Bill is to find a market for the wheat produced internally, to make it consumable in the country. While we are not in a position to regain our external market owing to world conditions, we want to preserve at least the internal markets for the internal production. Therefore, Sir, there is no purpose in lowering the duty in such a way as to induce imports to come in, though perhaps at less prices than now. What I mean to suggest is, if the purpose of this Bill is to enable the United Provinces wheat and the Punjab wheat to be consumed elsewhere in the country, then it stands to reason that your import duty must be such that it can effectively prevent the coming into the country of any other wheat. That has been achieved by this Bill. From the point of view of my friend, Sardar Sant Singh, I say there is no need to increase the duty, because none has come during the last ten months of the year, and from the point of view of my friend, Mr. Morgan, I say that the lowering of the duty defeats the very purpose of the Bill, because the purpose of the Bill is to prevent external wheat coming into this country. Therefore, I think I should stand for the position which has been taken up by the Government and which has been vindicated for the last 23 months of trade conditions by actual experience and, therefore, is good for the country as a whole.

Let me now come to my friends from Bengal. I wish to point out to them in the first place that they have been making a great grievance of the fact that their consumers are specially affected. Let me point out to them, particularly to my friend, Mr. Ghuznavi, that this is a new taste they have developed for Australian wheat. They were not consuming Australian wheat before; they were consuming internal wheat to the extent that they could.

**Sir Muhammad Yakub:** Very little wheat they consume.

**Diwan Bahadur A. Ramaswami Mudaliar:** Only within the last few years when some enterprising merchant in Calcutta got into touch with another enterprising producer in Australia and began to import Australian wheat into Bengal, my friends from Bengal acquired a taste for Australian wheat. I do not want to do them injustice; and I want to tell them what Bengal was consuming during the last few years . . .

**Sir Muhammad Yakub:** They were consuming mostly coal.

**Diwan Bahadur A. Ramaswami Mudaliar:** In 1923, the total quantity of wheat imported into India from all countries was about 19,000 tons roughly. In 1924, it was 12,000 tons; in 1925, it was 4,000 tons. Then, from 1926, comes a crescendo of increasing quantities of wheat imported into this country. In 1924-25, the 12,000 tons of wheat, and the 4,000 tons imported into the country came from Iraq, and not from Australia, and the share of Bengal in these two years was eight tons, which was consumed by my friend, Mr. Ghuznavi, in the year 1924, and two tons in 1925. These were the quantities consumed by Bengal in two successive years. Then came the era of Australian import into Calcutta. In 1926, the total quantity imported into this country from all countries and mainly from the Commonwealth of Australia was 35,000 tons, of which Bengal consumed 16,000 tons. In 1927, it was 40,000 of which Bengal consumed 35,000 tons. In 1928, it was 69,000, of which Bengal consumed 25,000; and in 1929, it was 561,000 tons, of which Bengal consumed 343,000 tons. In 1930, it was 357,000 tons, of which Bengal consumed 186,000. Then came the process of gradual reduction as the import duty was levied. What is the inference that I draw from that? Not that Bengal is suffering because this import duty has been levied, but that a particular vested interest established in Calcutta or nearabouts which was interested in importing Australian wheat into this country has had to close its business. It is not that the Bengal people suffer on account of the import duty. It is not that my Honourable friends have a special grievance with reference to this matter. It is only that a few vested interests, the grinders of wheat and the producers of flour have suffered. I admit that frankly. I remember two years ago the anxiety which my Honourable friend, Sir Cowasji Jehangir, showed over this Bill, because men who had entered into forward contracts would have been seriously affected if the original Bill had been passed. We sympathised with that position. We made exceptions with reference to certain forward contracts. We relieved the millowners who, without knowing that the duty was to be levied, had entered into such forward contracts. If you come forward with a grievance of that sort, we should be the first to sympathise with that grievance and do everything possible to relieve you of that grievance. But today that is not the position. Why do you want to take to western Australian wheat, why do you want to import a commodity which you can produce in this country?

**Mr. A. H. Ghuznavi:** I do not want to pay Rs. four a maund for buying your wheat when I can get that wheat at Rs. 2-9-0 a maund in Calcutta.

**Diwan Bahadur A. Ramaswami Mudaliar:** I will come to that point. I can understand my Honourable friend's objection with reference to salt. They have accustomed themselves to that particular kind of salt. I do not promise them my support when the Bill comes on day after tomorrow

(Laughter), but I say I can understand their difficulty. But with reference to wheat, it seems to me, it is the same thing practically whether it is Indian wheat or Australian wheat, and before your palate is so developed that you want Australian wheat and not Indian wheat, I would request you to stop that tendency and to take to Indian wheat and be good patriots as you have always been.

**Mr. G. Morgan:** It is the price we want.

**Diwan Bahadur A. Ramaswami Mudaliar:** Now, let us take the price. My Honourable friend said that on an average 3·4 per cent. of wheat came into this country. He was rather shaky about his arithmetic. If you take the figures, you will find that except in the year 1925 when about five per cent. of wheat came into this country and in the year 1919 when about four per cent. of wheat came into this country, the average for the last twelve years has been somewhere between one and two per cent. of the total production . . . . .

**Mr. G. Morgan:** I did not mean that. I said if the total maximum consumption of the mills in Karachi and Bombay and Calcutta was Australian wheat only, it would represent about 4·3 per cent of nine million tons of production in India.

**Diwan Bahadur A. Ramaswami Mudaliar:** And that is exactly what I am controverting. I am taking the total figures and not the figures for Bengal. I said the total imports of wheat in the year 1924 was 12,000 tons. If I take the production of the country at about 10 millions, the ratio is 12 per cent. In 1925, it was 4,000, it is 0·4 per cent. In 1926, it was 35,000 out of 10 million tons, which is 35 per cent. It is only in 1925, as I said, that, it was five per cent.; in the following year, it was 3·5 per cent.; in 1931, it was 2·32 per cent., and, in 1932, it was 1·11 per cent. My Honourable friend may be perfectly certain that those are the correct percentages of the wheat that has come in. If I am right on that theory, and I can have the arbitration of my Honourable friend, Dr. Ziauddin Ahmad, for the purpose, if necessary (Laughter)—if I am correct on that basis, I ask my Honourable friend whether he seriously thinks as a business man that two per cent. import into this country is going to have any vital effect on the prices or the price level of the whole quantity that is produced in this country? If you can import about 250,000 tons of wheat, and it is the average normal import during the last ten years, may I ask my Honourable friend how he expects that that 250,000 tons will have any appreciable effect in settling the price level of ten million tons of wheat produced in this country?

**Mr. G. Morgan:** Did I say that?

**Diwan Bahadur A. Ramaswami Mudaliar:** Therefore it comes to this. If it cannot have any effect on the price level of ten million tons, then the price level is automatically adjusted by internal conditions, and by the necessity for consumption in various parts of the country, and, therefore, the imported quantity has no effect. What will have an effect is fore, the imported quantity has no effect. What will have an effect is an unrestricted import which may go up to one or two million tons, which will destroy the whole of the agricultural population of this country. And if my Honourable friends from Bengal seriously want that to happen, if

[Diwan Bahadur A. Ramaswami Mudaliar:]

they want that about two to three million tons of Australian and Canadian wheat should be imported into this country, so that agriculture may go out of existence, they have only to put forward that proposal and ask this House to consider how far that is reasonable. I was coming to the question of the real trouble with reference to these things. I said that during the last few years, before at least the slump began, we were able to export a good quantity of wheat, on an average at least 500,000 tons, and sometimes we reached the peak figure of over a million tons. We were exporting large quantities to the United Kingdom. I was expecting the Honourable the Commerce Member to tell us why that export has been stopped, and, as I expected, in his speech he said that the price level in England was such that it was impossible for Indian wheat to be sold there. I should like to know further what the price in Australia is and how far shipping companies are responsible for the low cost at which this can be sold in England and other places. These are considerations which must weigh with us in finding out what are the real remedies that should be applied by the wheat producer, the rice producer or producer of any other raw material to find a sale in other countries. Yesterday in another debate I said that the salvation of the country lies in selling our raw products outside, in finding a market for our home commodities in foreign countries and neither the wheat price level nor the price level of any other commodity will go up unless we are able to capture foreign markets. I was very much interested in the remark that my Honourable friend, the Commerce Member, made that he was considering this question and had some proposals in view which he would elaborate at a later stage. I do not know what those proposals are, but the problem with reference to all raw products in this country, whether it is wheat, or whether it is cotton, is the problem of finding external markets for those commodities. I do not know in how many places we have Trade Commissioners and what duties they have to perform and how they keep in touch with foreign markets and find a market for our commodities. Those are directions in which, in addition to the Bill which the Commerce Member has introduced for some slight protection to this commodity, I should expect the Government to move so that as much for wheat as for other products we may be able to find external markets. From what I have said it will be clear that I am unable to support on the one hand Sardar Sant Singh's amendment to increase the duty even if he had been permitted by His Excellency the Viceroy, and I do not see why he should not have been permitted by His Excellency so that the common sense of the House may assert itself on questions like this, and on the other hand I am unable to accept the amendment of my Honourable friend, Mr. Morgan, which will destroy the very purpose of this Bill.

**Mr. Lalchand Navarai:** Sir, coming as I do from Sind, I feel that it is necessary for me to intervene in this debate. Sind is a wheat growing country and you all know that a big barrage has been built in Sind on the great Sind river. That barrage has been built with the main object of increasing the cultivation of wheat and cotton in Sind. This undertaking has cost 21 crores of rupees and the question before me is a question, in that connection, of the interests of both the producer and the consumer. I think Sind will satisfy the claims and the demands of both the producer and the consumer. The consumer must be a little patient and the producer must be helped in the first instance. In Sind,

at present the condition of the producer is pitiable. He has got to pay heavy assessment and, after this barrage, the assessment is likely to be increased. The producer, therefore, is already in straitened circumstances and he wants help to be given. And if encouragement in the shape of tariffs and other facilities in freights is not given to the producer, I have

no doubt that the barrage will fail. Therefore, it is very necessary that I should look at this question from that point of view.

4 P.M. Now, much of the waste land has been used for the growing of wheat with the help of the perennial canals and it is, therefore, expected that there will be a large produce from the Sind Barrage areas and it is very necessary to see that there is a market for that produce. Unless there is a market, there will be a surplus and there will be dumping and the producer will go to the wall. At present what the producer requires is that some protection should be given to him. Even at present there is some excess production in Sind, but after the barrage has fructified, there will be keen internal competition between the Punjab and Sind and, by that competition, the result will be that the consumer will certainly get a lower price. Therefore, if you are protecting the producer, you are protecting the consumer too and you have only to wait and see. At present some figures have been quoted by the Honourable the Commerce Member which go to show that there is a change in the price of wheat and, after this large quantity of wheat is produced in Sind, it will certainly be a great factor in reducing the price for the consumer.

For the last two or three days we have been discussing questions in such a way that I feel sorry. We had the import duty on salt and the import duty on textiles and we have now the wheat protection duty, and I see that a fight which usually takes place between this side of the House and the Treasury Benches has now started amongst ourselves. It is really a regrettable feature. I see that Bengal wants to have the whole advantage to themselves. There was a time when Bengal was considered to have a sense of patriotism and even now we take it to be so; but I am sorry to hear from Bengal that, because some of their brethren in other parts of India are being benefited, they come forward and object to that benefit being enjoyed by no Bengalees. In this connection I am reminded of a story of two friends. They were very intimate friends. They went to school and had to sit for a certain examination. One passed and the other did not. The one who failed said: "I don't mind my failure. I am not sorry for it but why should the other pass? I am only sorry that my friend passed". It is something like that which we have here. That is the vicious lesson which Bengal has now learnt. These are times when we should help each other. They claim that they suffer a great disadvantage. This I do not admit. I think it is only an exaggeration. If they want our help, we are ready to give them in every legitimate manner. So far as the present situation is concerned, Bengal should think of increasing the growth of wheat in their country, but if they are not able to do so, they should ask for protection for jute and other products which require some support. To say that the present import duty should not be imposed is wholly wrong. With regard to this import duty, it is quite plain that wheat in Australia and other countries is so abundantly grown that without this duty it could be introduced into this country in such large quantities that the market here cannot possibly compete with them. It is for such reasons that we find surpluses of wheat in India. Otherwise we could export our wheat and it can have a market outside, in which case we will not require this import duty as a tariff wall, but the point is that when there is no

[Mr. Lalchand Navalrai.]

market outside and no protection here, the Indian produce will absolutely suffer. Therefore, I submit, that it is no use wasting time over this question. The Government have given ~~protection~~ after full consideration and I submit that I would be very willing and happy to help Government on this motion.

It will be fair on my part to say that I do know that the flour mills of Karachi have no market for their flour export. I have received a telegram from the Sind Flour Mills and the Karachi Flour Mills and they tell me that, on account of the artificially high price of wheat, they are losing all their flour business. I am not going to repeat what has already been said and so eloquently said by Diwan Bahadur Mudaliar with regard to the vested interests of other countries, but I must tell the people in Karachi that in the interests of the barrage they should wait and see how the barrage fructifies. They must wait and see if the barrage produces so much that they ~~can~~ have their own flour and send it outside. I was glad to hear the reference made by the Honourable the Commerce Member with regard to this question of the flour export when he said that he was considering that question. I must, therefore, tell the owners of these mills at Karachi to wait to see what happens. With these words, I support this motion.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

**Mr. A. H. Ghuznavi:** Sir, human memory is short, and the public man's memory is shorter still, particularly that of the Members of this Assembly. When this Bill was introduced in March, 1931, in this House, what did the Commerce Member say then? He said: "I move that the Bill to impose a temporary duty, etc., etc." So a temporary duty was imposed on the importation of wheat, because at Lyallpur at that time they had no less than 10,469,000 tons of wheat unsold—and these figures have been supplied by the Government of Bengal, and I say this for the simple reason that it may not be said that they are my coal figures (Laughter)—10,469,000 tons of wheat then at Lyallpur unsold, and the prices were still going down! That was the reason why an import duty had to be imposed for getting that huge quantity sold. What was the position? How did the imposition of that duty help the selling of that stock?

Sir, the price of Indian wheat at Lyallpur, when the duty was imposed in 1931, was just under two rupees a maund. After the duty was imposed, the prices continued to fall and reached their lowest level of Rs. 1-8-0 a maund in July, 1931. Since then the price has risen and now it stands at about Rs. 3-3-6 a maund. That has been verified by the Honourable the Commerce Member. He said that the price on the 4th of March was Rs. 3-2-6 per maund. Well, Sir, the world prices of wheat are today at about the same figure as they were in 1931. What we say is this. Why should we in Bengal be penalized in order to support the wheat position in the Punjab? Sir, we can have wheat in Bengal and in the Calcutta port at Rs. 2-9-0 a maund. What is the effect of this duty now? The effect of this duty is this, that we shall have to pay Rs. 4-4-0 to get the same wheat which we can get at Rs. 2-9-0. Even at Rs. 4-0-0 we cannot get the Lyallpur wheat. I shall presently show that. Sir, the price today

stands at Lyallpur at Rs. 3-3-6, or even taking the figure my Honourable friend, Sardar Sant Singh, has obtained, today's price is Rs. 2-14-0. Add to that the freight of Rs. 1-2-0 and the price comes up to Rs. 4. Now, why should we pay Rs. 4 for the wheat that we can have in Calcutta at Rs. 2-9-0? Where is the justification for putting that duty on now when the prices have gone up by about 150 per cent.? Sir, the price in 1931 was about Rs. 1-8-0. That price has gone up to Rs. 3-6-6. Yet why should that duty continue now? Why should we in Bengal have to buy wheat at Rs. 4 instead of at the price at which we can get wheat, which is very much lower? Why should we be penalized in Bengal?

**Hony. Captain Rao Bahadur Chaudhri Lal Chand** (Nominated Non-Official): Why Bengal? Even the Lyallpur *Bania* who does not produce wheat is also penalized.

**Mr. A. H. Ghuznavi:** But the Lyallpur *Bania* can get at the original price; he has not got to pay the railway freight.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** Well, if everybody thinks for himself, it will of course come to that.

**Mr. A. H. Ghuznavi:** Now, Sir, let us see what is the production of wheat in India. The production in 1928-29 was 85,91,000 tons. In 1929-30, it was 104,69,000. These are not my coal figures. (Laughter.) In 1930-31, the production of wheat was Rs. 93,05,000 and, in 1931-32, 90,26,000 tons. Very well, the wheat forecast for 1932-33 indicates that the crop will be smaller than 1931-32, because the forecast shows that the area is four per cent. less than that sown in 1931-32. Therefore, the prices will not only go up higher, but you have not got sufficient wheat in India to meet the requirements. Now, Sir, the world prices of wheat today are at about the same figure as they were in 1931. But when this Bill was introduced, there was practically no demand at all for the Lyallpur wheat, and, therefore, Government wanted to stop the importation of wheat from Australia or anywhere else. Now, you have got a very fair price for Indian wheat. If so, why do you want to impose this duty which affects so adversely Bengal and Bengal alone. That is the reason why we do not want that this duty should be continued. Sir, it must be borne in mind that what the Commerce Member said when he introduced this Bill was that it was only a temporary measure, and that as soon as the prices would go up, they would discontinue the duty and not only that; he contemplated that very likely it might not be necessary to continue this Bill even for a year, and in fact that was the reason why he took the powers into his hand of reducing the rate whenever he found that that position had arrived.

**Sardar Sant Singh:** May I be excused for reminding my Honourable friend that of course if there were to be no import duty on wheat, then wheat might have to be used as coal and thus your coal would suffer. Then, wheat will be used as coal, as did happen in the United States market, and then your coal trade would suffer.

**Mr. A. H. Ghuznavi:** When it comes to that, then you can come with your beggar's bowl and then we can put on a duty again. Sir, as my Honourable friend, Mr. Biswas, said, a duty of Rs. 2 per ton was imposed when the price was Rs. 2 a maund; that was the rate at Lyallpur in 1931 when this duty was imposed. The price today is Rs. 3-2-6 according to my Honourable friend, the Commerce Member. Why should it not be reduced,



[Mr. A. H. Ghuznavi.]

if, however, the duty cannot be abolished, from Rs. 2 to at least one rupee? What prevents you from doing that? That will be more than sufficient, so far as the Punjab wheat is concerned, to give them protection. Therefore, Sir, as the Government are not willing to consider the reduction of the duty, we in Bengal must oppose the Bill *in toto*.

**Some Honourable Members:** I move that the question be now put.

**Mr. S. C. Mitra:** Mr. President, I am not for helping Government in passing any legislation where the prices of necessities of life are likely to be increased and I should like to examine this particular piece of legislation from that standpoint.

The question has been thoroughly threshed out by my friend, Mr. Ramaswami Mudaliar, who has given us figures, but I do not agree with his inferences. Firstly, he said that the condition of affairs here in India was different from the condition of affairs obtaining in England as regards taxes on foodstuffs. He said that if the country can be expected to produce its own foodstuffs, then the conditions are quite different from those in England. But I think he forgot that in considering whether a country can produce sufficient quantity of foodstuff, special attention should be paid to the cost at which it can be produced. It must be found out whether it is at all economical for a country to produce those articles, before we can come to any conclusion on this issue. If strict logical conclusions are to be drawn of Mr. Mudaliar's argument then all importation should be prohibited.

I know that the Government of India is not even guided by the generally accepted principle of having raw material, foodstuff or the machinery for industry, without any import duty. They do not accept even those universally accepted principles of economics. Speaking particularly of wheat, we must see that if the consumers in this country can get it at an economic price, they should prefer their own wheat. Of course, I agree with my friend that, so far as Bengal is concerned, wheat is not our principal foodstuff. What I mean to say is that wheat is not the staple food of the Bengalees, but there are some classes even in Bengal who take wheat at least once a day and my friend, Dr. Dalal, will perhaps advise that it has greater caloric value and, as such, it is a most substantial food and that, therefore, we should take more of it. I have full sympathy with my friends from the Punjab and the United Provinces as regards their claim for protection, but protection should not be given by raising the duty. That is not the only means by which they can provide Bengal with wheat from the Punjab or the United Provinces.

It has been argued by my friends that their complaint is more against the water rates and Government demands of revenue and even the high railway freight. If they could manage to get remedies in these matters, then they would not have made any demands for special protection against imported wheat. It seems that the Government of India have only one remedy for all evils. Whenever any protection is wanted either for an industry or for agriculture, their one panacea is to raise the import duty as if that is the only remedy known to the civilized world. Attempts are being made throughout the world to raise the level of price of all commodities and anybody who reads the daily press knows that President Roosevelt, as soon as he came to occupy his position, passed Ordinances

after Ordinances to raise the level of prices in the United States of America. I would like to make this point clear, because our colleagues on this side might think that when we oppose such legislation we are against their interests. We agree with them that steps should be taken not only by the Commerce Department, but by the Department of my Honourable friend, Mr. Bajpai, so that the agriculturists may get throughout India an economic price which may be sufficient at least to enable them to live upon agriculture. My friend, Sir Muhammad Yakub, styled the Bengalees as *Bhuka* Bengalees. I agree with him and that is the reason why a hungry man cannot be sympathetic towards his brethren. My Honourable friend, Diwan Bahadur Mudaliar, said that wheat from Iraq and Australia had better taste for Bengalees. It is not the taste of the wheat, but the taste of the price that has attracted consumers in Bengal for the imported wheat. I think he should realise that the agriculturists are in such straitened circumstances that they cannot afford to buy anything even the price of which is slightly greater than the normal rate. The price of wheat was Rs. 1-14-0 before the wheat duty; it is now Rs. 3-4-6 per maund. That is the reason why Bengalees prefer the imported wheat,—because it is cheaper, and not because they are unpatriotic. Many measures have been suggested by this House by which a serious attempt can be made to raise the price level of all commodities. I think Members after Members spoke against the exodus of gold and also explained how, by putting some embargo on gold, the price of precious metals might be lowered and, inversely with the price of precious metals, the price of all foodstuffs and other commodities would be raised. On this matter Government have no answer. They only rush in for an import duty whenever there is a question of protection, because it gives them some money and it also provides them with a field for some clashes between different groups and interests in this House. My friend, Sir Muhammad Yakub, seems to have now understood the European Group. But I say that it is Indians like Sir Muhammad Yakub who always help Government in carrying out measures which are mostly anti-national. He cannot complain of the European Group if for any reasons they find that on this point their interests as well as the interests of the consumers coincide. Sir, I would like to make it clear that we have no grievance against the wheat producing agricultural provinces. All that I wish to say is that Government should take steps that they can get proper price for their produce. On behalf of Bengal I would say that if the wheat producing provinces want the price level to be raised, let them alone pay for it, and unless some steps are taken for raising the price of our own foodgrains like paddy or large produce like jute, we cannot be a party in making the cost of production of the necessities of our people more costly. We know that any opposition here will not help us. We have no Sir Fazl-i-Hussain to bring in legislation for the advantage of the Punjab or the United Provinces, but we think it our duty to place on record our views about the interests of the consumers in these matters.

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): Sir, it has been suggested by some Honourable Members that protection was given temporarily when the duty was imposed. My Honourable friend, Mr. Ghuznavi, said that Honourable Members in this House have got short memory. I think it is true. He has got a short memory. He knows what were the circumstances in which this protection was given; and he knows also what is the effect of this protection today in India. We had thousands and thousands of people here starving; although they had

[Mr. Muhammad Yamin Khan.]

grain, they had no money. Why? Because they could only sell their produce for such a small sum that they had to spend that money very soon and they could not get their requirements later on when the time came for them to purchase their necessities of life. If a producer produces wheat at a cost of Rs. 3-2-0 per maund and he has to sell it at the rate of Rs. 1-6-0 per maund, then it can be very well judged how long this industry will continue in India. If this industry does not continue and if the people stop growing wheat, the effect will be that these millions of people who are living in the villages will be left without any work and without any wages and they will have nothing to live upon. So it is in the interest of the country as a whole. It is not a question of the Punjab or of the U. P. or of Bengal, but it is a question of India as a whole. If we take the question of India as a whole, we cannot tolerate the idea of having millions of people without work and starving in the villages. Therefore, it means that some kind of protection should be given so that their cost of production may be equal to the selling value. Their commodities must be sold in the market at the same price at which they produce it; and the cost of production will be the price of seed, the canal dues, land revenue and the wages of the people who have to live from hand to mouth. At least we must give one meal a day to the field labourer. If that is to be done, the price must go up to something like Rs. 3-2-0 per maund everywhere. When the question of protection for some industry comes up, my Honourable friends say, why should we import these cotton piece-goods from outside India? We must supply some labour and we must have these things produced here and not have dumping from Japan. That is quite right, but I should like to ask them, if that is the argument, will that be your argument also when it is the question of wheat on which you live, or will you import it for your consumption from Australia or Russia and other places?

Then, the only point which remains is this, that if you cannot stop your wheat growing industry, if you have to bring it to some level, what is the level at which you have to bring it and in what manner? The answer is that we cannot tolerate, for the sake of a few people who have got mill industries in Bombay or Calcutta, and who want to import their wheat flour from outside India, the going down of this industry and the consequential fall in the price of every other commodity. That cannot be done in the interest of India. So we have to give this protection and it is this protection which is required and I think anything less than Rs. 2 per hundred-weight will not be suitable. I should like that no wheat should be imported into this country from outside India and that can only be done when the protection is so high that people who want to import wheat at Bombay or Calcutta find it disadvantageous to do so. We had a lengthy discussion on this question during the Ottawa debate in this House and it was brought to the notice of Honourable Members that we have got surplus wheat in the country; we can grow surplus wheat in this country and there is a likelihood of growing it to the extent of two million tons more. If there is a possibility of producing two million tons more, then some kind of temptation must be given to the poor agriculturist who is engaged in this industry rather than throwing him away, so that he may only cultivate this wheat in places where it is full of irrigation and not elsewhere. With these words, I

think this Bill should be supported and I give my full support to this motion.

**Several Honourable Members:** The question may now be put.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I accept the closure. The question is that the question be now put.

The motion was adopted.

**The Honourable Sir Joseph Bhoré:** Sir, this is one of those rare and happy occasions when a Government Member can relax somewhat and allow his battles to be fought by the opposition or some section of it. That battle has been fought so effectively by Members on the opposite side who have supported this case that they have left me very little to answer. At the same time, Sir, it is very evident that the case which I put forward this morning was not clearly understood by certain Honourable Members in this House. From what fell from my Honourable friend, Mr. Biswas, I think he entirely misunderstood the points which I was making when I put forward this Bill for consideration. Let me recapitulate them very shortly.

I said firstly that there were two dominant factors in the wheat position of the world today, factors which were not in existence last year. Firstly I pointed out that, as far as information was available, there was a much larger exportable surplus in the exporting areas of the world today than there was last year. And, secondly I pointed out that the world price of wheat was far lower this year than it was last year. I also pointed out that prices here were far above world prices and I asked the House to deduce from those conditions what seemed to me to be the inevitable result. I suggested, Sir, that in view of those conditions the inevitable result would be that foreign wheat would flood the Indian market at a price which would be wholly unremunerative to the home producer if this import duty were removed or materially reduced. I submit, Sir, that that position has not been controverted by any Honourable Member in this House. I do not for a moment deny that the consumer will have to pay a little more by reason of this import duty than he would have had to pay had no such import duty existed.

**Mr. S. C. Mitra:** May I ask one question? What was the price of wheat just before this import duty was placed in 1931?

**The Honourable Sir Joseph Bhoré:** I will come to that presently, Sir. My point is really this that, having regard to prices which have prevailed for a large number of years, we are not asking the consumer today by reason of this import duty to bear an unreasonable burden. In regard to a comparison of prices I shall quote figures over ten years, if the House will permit me, when we are considering the actual amendment for the reduction of the import duty. I would only point out to my Honourable friend, Mr. Mitra, that it is entirely unfair to compare the price today with what the price was two years ago when we were forced initially to take these measures. It was definitely in order to counteract those calamitous circumstances which had resulted in those abnormally low prices, that the present measures were initiated.

Now, Sir, there are only one or two other questions which I think I need refer to at this time. My Honourable friend, Mr. Mitra, found the panacea for all these wheat afflictions in the lowering of railway rates. I will not say a panacea for all the evils; I will correct myself. At any

[Sir Joseph Bhore.]

rate he thought that our present trouble in regard to wheat could be very much reduced by lowering railway freights. Honourable Members must be aware that we have greatly reduced those freights. In fact we made an experiment last year in reducing these freights to such a level for wheat that, within a few months, if my recollection serves me correctly, we lost something like sixteen lakhs of rupees on that one commodity alone.

Then, Sir, there is one other point of very great importance to which my Honourable friend, Mr. Lalchand Navalrai, referred. He was perfectly right when he said that the extension of the wheat producing areas in this country would ultimately solve the question of prices. I have no doubt, Sir, the time will come when, with the extension of those areas and the larger production of wheat in this country, the factor of internal competition will begin to operate in favour of the consumer. I do not think, Sir, that at the moment I need say anything more. There are certain figures which I would like to give to the House and I propose to give them when dealing with the amendment for reduction.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That the Bill to extend the operation of the Wheat (Import Duty) Act, 1931, be taken into consideration."

The motion was adopted.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is that clause 2 stand part of the Bill.

**Mr. C. C. Biswas:** Sir, without making any speech I move the amendment that stands in my name:

"That after clause 2 of the Bill, the following new clause be added:

'3. In section 2 of the Wheat (Import Duty) Act, 1931, for the words 'Two rupees per hundred-weight' the words 'one rupee per hundred-weight' shall be substituted'."

**The Honourable Sir Joseph Bhore:** I need only set myself two questions to answer in this connection. The first is this. Has the existing duty really inflicted a harsh burden upon the Calcutta consumer? Now, let me give to the House the figures, which I have collected over a period of ten years. The figures relate to the wholesale prices of wheat in Calcutta per maund. At the end of December, 1923, the price of wheat per maund was Rs. 5-2-0.

In 1924, it was Rs. 6 per maund.

In 1925, it was Rs. 6-14-0 per maund.

In 1926, it was Rs. 5-10-0 per maund.

In 1927, it was Rs. 5-7-6 per maund.

In 1928 (I have not the figures for December, but in September the price was Rs. 6-4-0 per maund).

In 1929, the price was Rs. 5-12-0.

In December, 1932, the price was Rs. 3-14-6.

Now, Sir, I have always admitted that due regard must be paid to the fall in the general level of prices and also to the reduced purchasing power of the people. But I venture to submit that the import duty,

even at its present level, is not today imposing a harsh and unreasonable burden compared with the burden that has been borne in the years for which I have ventured to give figures to the House.

The other question is whether we are giving the producer too high a price through this duty. Now, Sir, here again let me give to the House comparative figures over a number of years, ten years, of the prices of wheat at Lyallpur, f.o.r. These are the prices per maund.

At the end of December, 1923, the price was Rs. 3-13-0.

At the end of December, 1924, the price was Rs. 5-3-0.

At the end of December, 1925, the price was Rs. 5-15-6.

At the end of December, 1926, the price was Rs. 4-7-0.

At the end of December, 1927, the price was Rs. 4-9-0.

At the end of December, 1928, the price was Rs. 5-14-0.

At the end of December, 1929, the price was Rs. 4-5-0.

At the end of December, 1932, the price was Rs. 3-3-0.

On these figures, Sir, I venture to submit that you cannot accuse us of securing for the producer of wheat an unreasonably high price. Those are the two questions which I set myself to answer and I hope, Sir, the House will agree that I have given a satisfactory reply to both.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That after clause 2 of the Bill, the following new clause be added:

'3. In section 2 of the Wheat (Import Duty) Act, 1931, for the words 'Two rupees per hundred-weight' the words 'one rupee per hundred-weight' shall be substituted'."

The motion was negatived.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The next amendment that stands in the name of Sardar Sant Singh seeks to increase the duty for which sanction of the Governor General is required, and the Chair understands that sanction has been refused.

As regards the next amendment by Sirdar Harbans Singh Brar, the same remarks apply, but the Honourable Member did not apply for sanction.

The question is that clause 2 stand part of the Bill.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

**The Honourable Sir Joseph Bhore:** Sir, I move that the Bill be passed.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 22nd March, 1933.

## LEGISLATIVE ASSEMBLY.

Wednesday, 22nd March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

### QUESTIONS AND ANSWERS.

#### IMPORT DUTY ON EXPOSED CINEMATOGRAPH FILMS.

853. **Mr. Gaya Prasad Singh** (on behalf of Mr. B. V. Jadhav): Will Government be pleased to state:

- (a) when the import duty on exposed cinema films was first levied;
- (b) how the film was valued at that time and what percentage was levied as duty;
- (c) whether they ever revised the scale of valuation;
- (d) how they came to adopt four annas and a half per foot as the value of foreign exposed films on which import duty is levied; and
- (e) whether they have considered the question of revising the duty under the present circumstances? If not, why not?

**The Honourable Sir Joseph Bhoré:** (a) and (b). A specific item for cinematograph films was introduced into the Statutory Import Tariff Schedule in March, 1921, when the rate of duty was fixed at 20 per cent. *ad valorem*. Prior to that time these films were assessed to import duty at 7½ per cent. *ad valorem* under a general item covering all manufactured articles not otherwise specified. A tariff valuation for positive films was first fixed in the Tariff Valuation Schedule that came into force on the 1st January, 1921, and the valuation then fixed was 4 annas per foot.

(c) Yes.

(d) The attention of the Honourable Member is invited to paragraphs 153 and 154 of the Report of the Indian Cinematograph Committee, a copy of which is in the Library of the Legislature.

(e) No. The Honourable Member is doubtless aware that the Indian Cinematograph Committee did not recommend any increase in the duty on exposed cinematograph films as a protective measure. Actually, however, since the Committee reported, duty has been increased as a revenue measure and is now 37½ per cent. *ad valorem*.

# APPRENTICES IN PRINTING IN THE GOVERNMENT OF INDIA PRESS, CALCUTTA, AND IN ENGLAND.

854. **\*Mr. S. C. Mitra:** (a) How many apprentices are there in the Government of India Press, Calcutta, and in England at present?

(b) Do Government contemplate sending any apprentice to England this year for further training? If the answer be in the negative, will Government please state the reasons?

**The Honourable Sir Frank Noyce:** (a) Four and two, respectively.

(b) The matter is under consideration.

## APPRENTICES TRAINED IN PRINTING IN ENGLAND.

855. **\*Mr. S. C. Mitra:** (a) How many trained Government Press apprentices have returned to India?

(b) Have they all been provided with permanent appointments?

(c) What is the scale of pay given to them all?

(d) Are all the superior posts of the Printing and Stationery Department open to them? If not, what are the reasons?

**The Honourable Sir Frank Noyce:** (a) Four.

(b) Two have been provided with permanent posts as Overseers in the Government of India Press, Calcutta, and the other two are holding posts of Overseers in an officiating capacity.

(c) They are at present drawing pay on the scale of Rs. 250—25—550.

(d) There is nothing to prevent Government selecting them for any appointment in the Department, but they have been recruited with a view to filling those posts for which technical training in printing is necessary.

# FILLING UP OF VACANCIES IN THE PRINTING AND STATIONERY DEPARTMENT BY PERSONS TRAINED IN ENGLAND.

856. **\*Mr. S. C. Mitra:** (a) Is it a fact that there occurred on several occasions officiating vacancies in the posts of Assistant Controller of Stationery and Assistant Controller of Printing, and that chances were given to non-technical office Superintendents in preference to England-trained hands?

(b) Is it not a fact that these posts were held by trained printers a few years ago?

(c) Is it a fact that the posts of Deputy Controller of Printing and Assistant Controller of Printing at headquarters are held by non-printers?

(d) If so, are Government prepared to consider that one of these posts go to a printer? If not, why not?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) The post of Assistant Controller of Stationery has not been held by a trained printer since 1923. A post of Assistant Controller of Printing, requiring technical qualifications was held by a printer up to 1926 and was abolished in 1927.

(c) Yes.

(d) Not at present. Technical qualifications are not essential for the incumbents of these posts.

## OVERSEERS AND ASSISTANT MANAGERS OF THE GOVERNMENT OF INDIA PRESSES.

857. **\*Mr. S. C. Mitra:** (a) Is it a fact that Overseers and Assistant Managers of the Government of India Presses are put on the same scale of pay? If so, why?

(b) Are the responsibilities of these posts the same?

**The Honourable Sir Frank Noyce:** (a) Overseers are employed only in the Calcutta Press and their present scale of pay is the same as that of the Assistant Manager. The post of Assistant Manager there was created in 1925 and the scale given to overseers was regarded as suitable. But the Assistant Manager has at times drawn the higher pay sanctioned for a selection grade appointment, and this has not been drawn by any one acting as Overseer.

(b) No.

## DISTINCTION IN THE SCALES OF PAY OF SUPERIOR POSTS IN THE GOVERNMENT OF INDIA PRESSES.

858. **\*Mr. S. C. Mitra:** (a) Will Government please explain the idea behind the distinction (as far as scales of pay are concerned) made between the recruits to the superior posts in the Government of India Presses before the 1st of April, 1924, and after?

(b) Was there any European recruited to this Department after the 1st of April, 1924? If the answer be in the negative, whom were these reduced scales intended for?

**The Honourable Sir Frank Noyce:** (a) and (b). The present scales of pay of Managers of the Government of India Presses are applicable only to officers who were employed in the Printing and Stationery Department on the 1st April, 1924, in the grade of overseers or higher posts. This limitation was imposed in order to make it possible to fix lower rates of pay at a later date for Indian incumbents of the posts. No Europeans have been recruited to the department since 1st April, 1924.

## SCALES OF PAY OF THE SUPERVISING STAFF OF THE GOVERNMENT OF INDIA PRINTING DEPARTMENT.

859. **\*Mr. S. C. Mitra:** (a) Was there a general revision of pay of the superior supervising staff of the Government of India Printing Department in 1924?

(b) Will Government please lay on the table a statement showing the scales of pay of the supervising staff just preceding the revision of 1924 and after?

**The Honourable Sir Frank Noyce:** (a) Yes, in March, 1925.

(b) A statement is laid on the table.

Statement showing the scales of pay of the supervising staff of the Government of India Printing and Stationery Department before and after the general revision of 1925.

|                                                         | Scale just before<br>the revision.              | Scale just after<br>the revision.               |
|---------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
|                                                         | Rs.                                             | Rs.                                             |
| Controller of Printing, Stationery and Stamps . . . . . | 1,500—250/3—2,250                               | 1,500—250/3—2,250                               |
| Deputy Controller, Printing . . . . .                   | 750—50—1,000<br>plus special pay<br>150—10—200. | 750—50—1,000<br>plus special pay<br>150—10—200. |
| Assistant Controller, Printing (Non-Technical)          | 500—25—700                                      | 500—25—700                                      |
| Assistant Controller, Printing (Technical)              | 350—30—500                                      | 250—25—550                                      |
| Deputy Controller, Stationery and Stamps                | 750—50—1,000                                    | 1,000—50—1,250(a)                               |
| Assistant Controller, Stationery and Stamps             | 500—20—600                                      | 500—20—600                                      |
| Deputy Controller, Forms . . . . .                      | 750—50—1,000                                    | 1,000—50—1,250(a)                               |
| Manager, Publication Branch . . . . .                   | ....                                            | 450—50—750<br>plus special pay<br>Rs. 100.      |
| Manager, Calcutta . . . . .                             | 850—50—1,050                                    | 1,250—50—1,500(a)                               |
| Deputy Superintendents, Calcutta . . . . .              | 550—40—750                                      | ....                                            |
| Assistant Manager, Calcutta . . . . .                   | ....                                            | 250—25—550 (b)                                  |
| Overseers, Calcutta . . . . .                           | 350—30—500                                      | 250—25—550(b)                                   |
| Manager, Delhi . . . . .                                | 650—40—850                                      | 750—50—1,000 (a)                                |
| Manager, Simla . . . . .                                | 800—40—1,000                                    | 1,000—50—1,250(a)                               |
| Assistant Manager, Simla . . . . .                      | 350—30—500                                      | 250—25—550 (b)                                  |
| Manager, Aligarh . . . . .                              | 600—40—1,000                                    | 1,000—50—1,250(a)                               |
| Assistant Manager, Aligarh . . . . .                    | 400—20—540                                      | 250—25—550 (b)                                  |

(a) Applicable only to officers employed in the Department on the 1st April, 1924, in the grade of overseers or higher posts.

(b) One of the holders of these posts may be promoted to the selection grade of Rs. 550—40—750 a month, provided that he was employed in the Department on the 1st April, 1924, his own rate of pay being kept in abeyance.

#### INTRODUCTION OF NEW SCALES OF PAY FOR SUPERIOR OFFICERS OF THE PRINTING AND STATIONERY DEPARTMENT.

860. \*Mr. S. C. Mitra: (a) Is it in the contemplation of Government to introduce new scales for superior officers of the Printing and Stationery Department?

(b) If so, to whom are the scales to apply?

(c) Do Government propose to apply the new scales to those who have entered the Department after the 15th July, 1931?

(d) If so, how do Government propose to effect immediate economy in this direction?

(e) Do Government propose to retire those who have attained the age of 55 or put in 30 years' service and have earned full pension?

The Honourable Sir Frank Noyce: (a) Yes.

(b), (c) and (d). The scales will probably be applied not only to all officers recruited after the 15th July, 1931, but to all officers of the Stationery and Printing Department to whom no other scale of pay is at

present applicable. This will include in the case of a number of appointments all officers entering this Department on or after the 1st April, 1924, and should thus secure a steady reduction in the charges in the near future.

(e) Government have no proposals for applying any special rules in this respect to the Stationery and Printing Department.

#### STOPPAGE OF SENDING APPROVED CANDIDATES AND RESERVE CLERKS TO THE TELEGRAPH TRAINING CLASSES.

861. \*Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that Government have stopped sending approved candidates and reserve clerks to the Telegraph training classes?

(b) Is it a fact that owing to a sufficient number of trained signallers in the reserve stock in the Mymensingh Division, Bengal, the permanent combined hands are being transferred every now and then?

(c) If so, will Government please place on the table a statement showing how many permanent combined hands have been transferred during the last one year?

Sir Thomas Ryan: (a) No such order has been issued, but the grants for training classes have had to be substantially curtailed owing to financial stringency.

(b) and (c). Government have no information. The matter is within the competence of the Postmaster General, Bengal and Assam, to whom a copy of the question and of my reply is being sent.

Mr. D. K. Lahiri Chaudhury: So far as parts (b) and (c) of the question are concerned, are Government prepared to make an inquiry and let me know the result in due course?

Sir Thomas Ryan: I hardly think an inquiry is necessary: this relates to a local matter, and the Postmaster General is quite competent to deal with it.

#### SUNDAYS AND POST OFFICE HOLIDAYS IN THE BARISAL HEAD POST OFFICE.

862. \*Mr. D. K. Lahiri Chaudhury: Will Government be pleased to place on the table a statement showing:

(a) the number of staff attached to the Barisal Head Office who enjoyed all Sundays and Post Office holidays;

(b) the number of officials who get alternate Sundays and Post Office holidays; and

(c) the number of clerks who are compelled to work on all Sundays and Post Office holidays?

Sir Thomas Ryan: With your permission, Sir, I propose to reply to questions Nos. 862 and 863 together. Government have no information. The matter is within the competence of the Head of the Circle concerned to whom copies of the questions are being sent. The Honourable Member's attention is, however, invited to parts (c) and (d) of the reply given in this House on the 8th November, 1932, to Mr. S. G. Jog's starred question No 964.



## SUNDAYS AND POST OFFICE HOLIDAYS IN THE BARISAL HEAD POST OFFICE.

†863. \*Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that all clerks of the Barisal Head Post Office are not equally treated in respect of enjoying Sundays and Post Office holidays?

(b) Will Government please state the number of clerks attached to the Barisal Head Post Office?

(c) Is it a fact that some of them enjoy all Sundays and Post Office holidays while others have to work on all Sundays and Post Office holidays? If so, why?

## RAILWAY MAIL SERVICE APPOINTMENTS ABOLISHED IN EACH POSTAL CIRCLE.

864. \*Mr. D. K. Lahiri Chaudhury: Will Government please place on the table of the House a statement showing Circle by Circle:

(a) the number of Railway Mail Service time-scale appointments abolished during the period 1st January to 31st December, 1932; and

(b) the number of selection grade appointments abolished during the period of 1st January to 31st December, 1932?

Sir Thomas Ryan: (a) and (b). Government regret that the information required by the Honourable Member is not readily available. His attention is, however, invited to the reply given in this House to Mr. S. C. Mitra's unstarred questions Nos. 235 and 236 on the 12th December, 1932.

## RATES OF ALLOWANCES DRAWN BY POSTAL EMPLOYEES AT DARJEELING.

865. \*Mr. D. K. Lahiri Chaudhury: (a) Are Government aware that the Government of Bengal have grouped Darjeeling with Calcutta, Howrah and Alipur and that the employees at Darjeeling are given the same scales of pay as those at Calcutta, Howrah and Alipur *plus* an allowance?

(b) Is it a fact that the Post Office staff of Darjeeling draw less pay than the postal staff of Calcutta, Howrah and Alipur?

(c) Is it also a fact that the rates of allowance drawn by the employees of the local group at Darjeeling are higher than those drawn by the postal staff of that place? If so, why?

Sir Thomas Ryan: (a) to (c). Enquiries are being made and a reply will be placed on the table in due course.

## WORK IN CONNECTION WITH THE DISPOSAL OF THE INWARD FOREIGN MAIL IN THE CALCUTTA GENERAL POST OFFICE.

866. \*Mr. D. K. Lahiri Chaudhury: Is it a fact that the work in connection with the disposal of the inward foreign mail in the Calcutta General Post Office is done partly by the auxiliaries and partly on overtime allowance? If so, why?

Sir Thomas Ryan: The reply to the first part is in the affirmative; as regards the second part, the Honourable Member's attention is invited to the reply to part (c) of Mr. S. C. Mitra's unstarred question No. 229 of the 12th December, 1932, which was laid on the table on the 16th February, 1933.

†For answer to this question, see answer to question No. 862.

## CONTINGENCY ALLOWANCES PAID TO THE POSTMASTERS AND SUB-POSTMASTERS FOR SUPPLY OF ARTICLES OF STATIONERY TO CLERKS.

867. \*Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that contingency allowances are paid to the Postmasters and Sub-Postmasters who are responsible for supplying clerks with articles of stationery?

(b) Are Government aware that in most cases the amount is not actually spent for the purpose for which it is paid?

(c) Is it a fact that the clerks have to purchase in most cases articles of stationery from their own pockets?

(d) If so, do Government propose to make an enquiry into the matter?

Sir Thomas Ryan: (a) Contingent allowances for departmental post offices are drawn by postmasters for expenditure on items which include articles of stationery required by clerks in the discharge of their duties.

(b), (c) and (d). Government have no reason to believe that the facts are as stated by the Honourable Member and do not consider that any enquiry is necessary.

## ABSENCE OF LATRINES IN THE RAILWAY MAIL SERVICE OFFICES AT SEALDAH AND HOWRAH.

868. \*Mr. D. K. Lahiri Chaudhury: Is it a fact that nearly 70 officials (including menials) are working in the Sealdah and the Howrah Railway Mail Service Offices, but that there is no latrine attached to those two offices for their use?

Sir Thomas Ryan: Government have no information. The matter is within the competence of the Postmaster General, Bengal and Assam, to whom a copy of the question is being sent.

## GRANT OF HOLIDAY ALLOWANCE TO THE OFFICIALS OF THE SEALDAH AND HOWRAH RAILWAY MAIL SERVICE OFFICES.

869. \*Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that the officials of the Sealdah and the Howrah Railway Mail Service Offices are working for 365 days in a year without any respite, but getting no allowances for Sundays and other Post Office holidays?

(b) If so, do Government propose to grant them any holiday allowance? If not, why not?

Sir Thomas Ryan: (a) and (b). Government have no information regarding the precise arrangements for work on Sundays and other Post Office holidays in the offices in question. It seems improbable that the fact is as stated by the Honourable Member but I am sending a copy of the question to the Head of the Circle concerned. There is, however, no question of the grant of any holiday allowance; in this connection the Honourable Member's attention is invited to parts (c) and (d) of the reply given in this House on the 8th November, 1932, to Mr. S. G. Jog's starred question No. 964.

# INCREASE IN THE PERIOD OF CASUAL LEAVE TO THE RAILWAY MAIL SERVICE OFFICIALS.

870. \***Mr. D. K. Lahiri Chaudhury:** (a) Will Government please state what average part of leave enjoyed by a sorter during the period of his service is granted on medical certificate and what part of it without medical certificate?

(b) If the statement shows that the Railway Mail Service officials suffer from ill health due to the special nature of their duty, more than the officials of any other department, will Government please state what steps have been taken in regard to their health? Do Government propose to increase the period of casual leave which is at present granted to them?

**Sir Thomas Ryan:** (a) Government regret that the information is not available.

(b) As regards the first part Government do not consider that any special steps are called for as they have no reason to suppose that the position is as stated by the Honourable Member. In prescribing the conditions of service of Railway Mail Service officials, Government have already taken into account the nature of their duties. The reply to the second part is in the negative.

# IMPORT DUTIES ON SUGAR.

871. \***Mr. Muhammad Muazzam Sahib Bahadur** (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Are Government aware of the Sugar Candy Association of Bombay's deputation to the Honourable the Commerce Member regarding the position of import duties on sugar?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state whether they have started an inquiry into the matter as requested by the deputation? In case the enquiry has been held and finished, will Government be pleased to place on the table the results of the inquiry?

(c) Will Government be pleased to state if it is in their contemplation to impose import duties on sugar to protect the sugar industry in India?

(d) Have Government taken full cognisance of the said Association's demand against Japan?

(e) Are Government prepared to take reciprocal steps against Japan?

**The Honourable Sir Joseph Bhoré:** (a) and (b). The deputation from the Association named which called on me a short while ago was concerned over the import duty on sugar candy, not sugar. The proposal made by the deputation is engaging the attention of the Government of India.

(c) The attention of the Honourable Member is invited to the Indian Sugar Industry (Protection) Act, 1932.

(d) and (e). I regret I am not able to understand these parts of the question.

**Mr. H. P. Mody** Apart from any question of protection, does not my Honourable friend think that if the proposal of the Sugar Candy Association were accepted, there will be some increase in the revenues?

**The Honourable Sir Joseph Bhoré:** That is an aspect of the case which is being examined.

# OPTION GIVEN TO CERTAIN INSPECTORS OF ACCOUNTS OF THE EAST INDIAN RAILWAY OF ELECTING THE REVISED GRADES OF PAY.

872. \***Lieut.-Colonel Sir Henry Gidney:** (a) Is it a fact that the Chief Accounts Officer, East Indian Railway, issued a circular letter, No. 341887/2/26, dated the 25th November, 1926, in which he gave the option to the Inspectors of Accounts of electing to accept the revised grades of pay or remaining on in the Company grades of pay?

(b) If the answer to part (a) be in the affirmative, will Government please state what was the sanctioned number of posts in each grade of the East Indian Railway (Company) and Oudh and Rohilkund Railway (junior and senior grades with scales of pay separately) prior to the election of grades, subsequent to the election and after the reduction in 1931?

(c) Will Government please state whether the salary of an Inspector who has elected the State Railway revised grade of pay can be charged against a company grade of pay?

(d) If the answer to part (c) is in the affirmative, will Government please state whether all the State Railway and Company grades are interchangeable?

(e) Is it not a fact that according to the East Indian Railway Company Rules, Inspectors of Accounts stationed at Howrah, Cawnpore and Delhi are entitled to the Company's scale, viz., Rs. 440—20—500?

**Mr. P. R. Rau:** (a) Yes.

(b) I lay a statement on the table containing the required information.

(c) and (d). I am not sure that I understand this question, but an Inspector who has elected the revised grade of pay will only be entitled to that rate of pay and cannot change over to the Company's grade of pay, and these scales are not interchangeable.

(e) I understand that when the Railway was under Company-management the scale of pay of Inspectors of Accounts at the three stations mentioned was Rs. 440—20—500. Permanent incumbents of the posts who are under the Company's scales of pay are still in receipt of pay on this scale.

# Statement.

Sanctioned number of posts in each grade prior to election—

|                                                                        | Rs.        |    |
|------------------------------------------------------------------------|------------|----|
| E. I. Railway, Grade I . . . . .                                       | 440—20—500 | 3  |
| E. I. Railway, Grade II . . . . .                                      | 345—15—390 | 10 |
| E. I. Railway, Grade III . . . . .                                     | 140—10—330 | 12 |
| Probationary . . . . .                                                 | 75—100     | 9  |
| Special post outside the cadre for miscellaneous inspections . . . . . | 160—10—200 | 1  |
| O. & R. Railway, Sr. Grade . . . . .                                   | 300—20—500 | 3  |
| O. & R. Railway, Jr. Grade . . . . .                                   | 120—15—270 | 8  |
| O. & R. Railway, Jr. Grade (Temp.) . . . . .                           | 120—15—270 | 1  |

Sanctioned number of posts in each grade subsequent to election from 1st October, 1926—

|                                             |                      |                |    |
|---------------------------------------------|----------------------|----------------|----|
| Sanction 10 (Sr. Grade Rs. 290—20—450).     | E. I. Ry., Grade I   | Rs. 440—20—500 | 3  |
|                                             | E. I. Ry., Grade II  | 345—15—390     | 2  |
|                                             | O. & R. Ry., Sr. Gr. | 300—20—500     | 3  |
| Sanction 28                                 | Revised New Gr.      | 290—20—450     | 2  |
| Sanction 1                                  | E. I. Ry., Grade III | 140—10—330     | 2  |
| (Jr. Grade Rs. 150—15—270.)                 | O. & R. Ry., Jr. Gr. | 120—15—270     | 4  |
|                                             | Revised New Gr.      | 150—15—270     | 22 |
|                                             | Revised (Tempy.)     | 150—15—270     | 1  |
| Probationary Inspectors 4 Grade Rs. 75—100. |                      |                | 4  |

Sanctioned number of posts in each grade after reduction in 1931—

|                                                        |                            |            |                                                                           |
|--------------------------------------------------------|----------------------------|------------|---------------------------------------------------------------------------|
| Sanction (Senior Grade Rs. 290—20—450) 7               | E. I. Ry., Gr. I           | 440—20—500 | 3                                                                         |
|                                                        | E. I. Ry., Gr. II          | 345—15—390 | 2                                                                         |
|                                                        | O. & R. Ry., Sr. Gr.       | 300—20—500 | 2                                                                         |
| Sanction (Permanent) 11                                | E. I. Ry., Gr. III         | 140—10—330 | 1                                                                         |
|                                                        | O. & R. Ry., Jr. Gr.       | 120—15—270 | 3                                                                         |
| Sanction (Temporary) 1 Junior Grade I (Rs. 150—15—270) | Revised new Grade          | 150—15—270 | 5 plus 2 who have been permitted to retain their pay in the senior scale. |
|                                                        | Revised New Grade (Tempy.) | 150—15—270 | 1                                                                         |
| Sanction (Permanent) 10                                | E. I. Ry., Gr. III         | 140—10—330 | 1                                                                         |
|                                                        | O. & R. Ry., Jr. Gr.       | 120—15—170 | 1                                                                         |
| Junior Grade II (Rs. 130—8—170).                       | Revised Jr. Grade I        | 150—15—270 | 8                                                                         |

**Lieut.-Colonel Sir Henry Gidney:** I did not hear the last part. Did the Honourable Member say that the permanent incumbents of these posts are still in receipt of pay on this scale? If so, will the Honourable Member please say whether there are any exceptions to his statement?

**Mr. P. R. Rau:** I have already informed the Honourable Member that permanent incumbents of these posts are still in receipt of pay on this scale provided they are under the Company's scales of pay.

#### OPTION GIVEN TO CERTAIN INSPECTORS OF ACCOUNTS OF THE EAST INDIAN RAILWAY OF ELECTING THE REVISED SCALES OF PAY.

873. **\*Lieut.-Colonel Sir Henry Gidney:** (a) Is it a fact that since the issue of the Chief Accounts Officer's (East Indian Railway) circular, No. 341887/2/26, dated the 25th November, 1926, there have been reductions in the posts of Inspectors of Station Accounts in 1929 and again in 1931?

(b) If the answer to part (a) be in the affirmative, will Government please state whether those Inspectors of Station Accounts who were affected by the reduction in establishment in 1929 were given intimation of the same? If so, when?

(c) Will Government please state why those Inspectors of Station Accounts, who had been borne on the permanent establishment prior to the reduction in 1931, were reduced in salary on absorption as stock verifiers? Is it a fact that they were in receipt of substantive salaries within the sanctioned grade to which they were absorbed, and that it was contrary to the Railway Board's orders on retrenchment and demotion?

**Mr. P. R. Rau:** (a) Yes.

(b) I understand that none were discharged as a result of the revision of the cadre in 1929.

(c) As regards the first part of the question, retention on a reduced salary was an alternative to discharge. In the normal course, the men rendered surplus should have been discharged, but they were absorbed in vacancies existing at the time in the cadre of Stock Verifiers and as a further concession were allowed to count the service rendered by them as Inspector of Station Accounts for increments in the scale of Stock Verifiers. I regret I am unable to understand what my Honourable friend is referring to in the second part of the question, nor how the procedure adopted was contrary to the Railway Board's orders.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member please say whether this was a concession or a claim they had?

**Mr. P. R. Rau:** Re-employment, Sir, was a concession.

#### PERIODICAL INSPECTION OF STATIONS ON THE EAST INDIAN RAILWAY BY THE INSPECTORS OF ACCOUNTS.

874. **\*Lieut.-Colonel Sir Henry Gidney:** (a) Is it a fact that the periodical inspection of stations on the East Indian Railway by the Inspectors of Accounts is heavily in arrears, in many cases as much as fifteen months?

(b) Is it a fact that in consequence of the inspections being in arrears the prescribed check has been considerably curtailed?

(c) Is it a fact that several frauds have been perpetrated?

(d) Are Government aware that these Inspectors of Accounts are required to work additional hours to keep up to the schedule time allowed for the inspection of stations?

(e) Is it a fact that when they exceed the time allowed for inspection the night allowance in the case of Company men and travelling allowance in the case of State men are disallowed from their bills?

(f) What steps do Government propose to take to remedy this state of affairs?

**Mr. P. R. Rau:** (a) and (b). I am informed that the answer to both these questions is in the negative.

(c) Two cases of fraud have been detected during the current year.

(d) No.

(e) This is done only in rare cases when the time has been unduly exceeded.

(f) Does not arise.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House whether the Geneva Convention of eight hours labour is applied to inspection of accounts?

**Mr. P. R. Rau:** If my friend wants detailed information on the point, I shall obtain it for him.

**Lieut.-Colonel Sir Henry Gidney:** Is this department exempt from the Geneva Convention or is it included? That is all I want to know?

**Mr. P. R. Rau:** It depends on the rules framed under the Convention. I am not sure whether this is exempt or it is not.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member please make inquiries?

**Mr. P. R. Rau:** Certainly.

**Dr. Ziauddin Ahmad:** I did not follow the answer to the last part?

**Mr. P. R. Rau:** The reply is in the negative.

#### NUMBER OF CLERKS IN THE DEPARTMENTS OF THE GOVERNMENT OF INDIA.

875. **\*Pandit Satyendra Nath Sen** (on behalf of Pandit Ram Krishna Jha): (a) Will Government be pleased to state the total number of clerks serving in all the departments of the Government of India offices drawing salaries from:

- (1) Rs. 50 to Rs. 100,
- (2) Rs. 101 to Rs. 500, and
- (3) Rs. 501 and above?

(b) How many of them are residents of each of the provinces of Madras, Bombay, Punjab, Bengal, Bihar, Central Provinces and other minor administration areas?

**The Honourable Sir Harry Haig:** The information is not available, and I do not propose to call for it, as its collection would involve an amount of labour which I do not think would be justified.

#### SECRETARIES, DEPUTY SECRETARIES, JOINT SECRETARIES AND ASSISTANT SECRETARIES IN THE GOVERNMENT OF INDIA DEPARTMENTS.

876. **\*Pandit Satyendra Nath Sen** (on behalf of Pandit Ram Krishna Jha): (a) Will Government be pleased to state the total number of Secretaries, Deputy Secretaries, Joint Secretaries and Assistant Secretaries serving in the various Departments of the Government of India?

- (b) How many of them are members of the Indian Civil Service?
- (c) How many are members of the Provincial Executive Service?
- (d) How many of them do not belong to either service, but have been recruited from the Bar?
- (e) How many of them come from each of the provinces?

**The Honourable Sir Harry Haig:** A statement containing the information asked for is laid on the Table.

*Statement showing the number of Secretaries, Joint Secretaries, Deputy Secretaries and Assistant Secretaries serving in the Departments of the Government of India.*

|                                 |    |
|---------------------------------|----|
| (a) Secretaries . . . . .       | 11 |
| Joint Secretaries . . . . .     | 6  |
| Deputy Secretaries . . . . .    | 18 |
| Assistant Secretaries . . . . . | 22 |

(b) 26 (Includes 1 officer holding a post borne on the cadre of the Indian Civil Service).

(c) Nil.

(d) 2.

(e)

| Province from cadre of which officers of All-India Services are drawn.                                                                                                     | Native province of officers not belonging to All-India Services.                                | Europeans borne on the Central Services. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------|
| 1                                                                                                                                                                          | 2                                                                                               | 3                                        |
| 2 from Madras.<br>3 from Bombay.<br>1 from Bengal.<br>6 from United Provinces.<br>6 from Punjab.<br>1 from Burma.<br>3 from Bihar and Orissa.<br>4 from Central Provinces. | 4 from Madras.<br>9 from Bengal.<br>1 from United Provinces.<br>7 from Punjab.<br>1 from Delhi. | 9                                        |

#### UNSTARRED QUESTIONS AND ANSWERS.

##### COST AND THE PROFITS OF CERTAIN ENGINEERING UNDERTAKINGS.

102. **Mr. K. C. Neogy:** Will Government be pleased to lay on the table a statement of the cost and the profits of the following great engineering undertakings, under the heads indicated below?

| Scheme.                                          | First estimate. | Second estimate. | Actual cost of completion. | Average annual return. |
|--------------------------------------------------|-----------------|------------------|----------------------------|------------------------|
| 1. Barrage over the Indus at Sukkur.             |                 |                  |                            |                        |
| 2. The Back Bay Scheme, Bombay                   |                 |                  |                            |                        |
| 3. The Hydro-Electric Scheme, Mundi.             |                 |                  |                            |                        |
| 4. The Lloyd Dam at Bhatgarh .                   |                 |                  |                            |                        |
| 5. The Sarda Canal Scheme .                      |                 |                  |                            |                        |
| 6. The Upper Ganges Hydro-electric Scheme.       |                 |                  |                            |                        |
| 7. The Hardinge Bridge at Sarah over the Ganges. |                 |                  |                            |                        |
| 8. The Mettur Hydro-electric Scheme.             |                 |                  |                            |                        |
| 9. The Paikara Hydro-electric Scheme.            |                 |                  |                            |                        |

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LEGISLATIVE ASSEMBLY.

[22ND MARCH 1933.]

**The Honourable Sir Frank Noyce:** The statement appended gives the requisite details, so far as they are available, up to the 31st March, 1932, except in regard to the Hardinge Bridge over the Ganges at Sara which cost Rs. 3,51,32,164 but of which, as it forms part of the Eastern Bengal Railway system, no separate accounts of profit and loss are maintained.

2. No entries have been made under the column "average annual return" as I am not sure what the Honourable Member requires. Of the only two schemes which are complete, in the Sarda Canal Scheme the receipts exceeded the working expenses by Rs. 69,905 and Rs. 55,536, respectively, in the years 1929-30 and 1931-32 while in 1930-31 the receipts fell short of the working expenses by Rs. 2,48,216. In the Ganges Canal Hydro-Electric Scheme, which was completed in 1931, the receipts in 1931-32 exceeded the working expenses by Rs. 40,289.

*Statement giving details of certain undertakings so far as they are available up to the 31st March, 1932.*

| Serial No. | Name of Scheme.                                          | Original estimate. | Revised estimate. | Actual cost of completion. | Average annual return. |
|------------|----------------------------------------------------------|--------------------|-------------------|----------------------------|------------------------|
| 1          | Barrage over the Indus at Sukkur . . .                   | Rs. 18,35,47,543   | Rs. 20,03,52,000  | Rs. Not yet completed.     |                        |
| 2          | The Back Bay Scheme, Bombay . . .                        | (1) 7,19,14,000    | (2) 7,23,06,000   | Do.                        |                        |
| 3          | The Hydro-Electric Scheme, Mandi (Uhl River Project) . . | 6,19,52,830        | ..                | Do.                        |                        |
| 4          | The Lloyd Dam at Bhatghar (The Nira Right Bank Canal) .  | 2,57,72,499        | (3) 5,83,07,259   | Do.                        |                        |
| 5          | The Sarda Canal Scheme                                   | 9,50,87,583        | 9,50,80,068       | 9,82,04,116                |                        |
| 6          | The Ganges Canal Hydro-Electric Scheme . .               | 1,64,71,137        | ..                | 1,60,10,786                |                        |
| 7          | The Mettur-Erode-Salem Electric Supply Scheme . . .      | 5,50,000           | ..                | Net yet completed.         |                        |
| 8          | The Pykara Hydro-Electric Scheme . .                     | 1,26,39,900        | 1,33,36,640       | Do.                        |                        |

(1) Blocks 1 to 8.

(2) Revised estimate of curtailed scheme comprising blocks 1, 2, 7 and 8 with road connecting blocks 2 and 7.

(3) Revised estimate of enlarged project.

#### RECRUITMENT OF LADY CLERKS OR TYPISTS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

**103. Mr. M. Maswood Ahmad:** (a) Is it a fact that the Posts and Telegraphs Board meeting of April, 1930 (although not formerly constituted till that month), decided not to recruit any lady clerk or typist, etc., in the Posts and Telegraphs Department (including the Director-General's own office)?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state if that decision has been enforced and official orders on the subject issued? If so, when; if not, why not?

**Sir Thomas Ryan:** (a) No.

(b) Does not arise.

#### SERVICE UNIONS, ASSOCIATIONS, ETC., RECOGNISED BY GOVERNMENT.

**104. Mr. M. Maswood Ahmad:** (a) Will Government be pleased to lay on the table a complete statement showing the names of all the Service Unions, Associations, etc., recognised by Government since 1901 and the date of their recognition?

(b) If the information is not available since 1901, will Government be pleased to furnish the information from the date it is available?

**The Honourable Sir Harry Haig:** The information desired by the Honourable Member is being obtained and will be laid on the table in due course.

#### GRANT OF SUNDAY AND HOUSE ALLOWANCES TO CERTAIN GUARDS APPOINTED UNDER THE OUDH AND ROHILKHUND RAILWAY RULES.

**105. Mr. Gaya Prasad Singh:** (a) Has the attention of Government been drawn to the case of some European and Indian guards appointed in 1929 and 1930 under the Oudh and Rohilkhund Railway rules owing to which they were allowed to get Sunday working and house allowances till they were amalgamated last year in the new revised rules of the East Indian Railway as per East Indian Railway Agent's circular?

(b) Is it a fact that in case of not granting Sunday allowances the said guards must be booking off on Sundays?

(c) If not, are Government prepared to grant the said Sunday and house allowances with arrears to these guards as they were getting before?

**Mr. P. R. Rau:** Government have no information but I am sending a copy of the question to the Agent, East Indian Railway, for any action that may be necessary.

#### VACANT POSTS DUE TO THE VOLUNTARY RETIREMENT OF CERTAIN CLERKS OF THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.

**106. Pandit Satyendra Nath Sen:** With reference to the reply given to starred question No. 462, dated the 23rd February, 1933, will Government be pleased to state:

(a) how many of the 12 posts are still vacant in the Railway Clearing Accounts Office; and

(b) when it is proposed to fill them up?

**Mr. P. R. Rau:** (a) None.

(b) Does not arise.

**CANCELLATION OF THE NOTICES OF DISCHARGE SERVED ON CERTAIN CLERKS OF THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.**

**107. Pandit Satyendra Nath Sen:** (a) With reference to the starred question No. 463, dated the 23rd February, 1933, is it a fact that the clerks, in respect of whom the notices of discharge were cancelled, joined service in the Railway Clearing Accounts Office after the 1st January, 1929?

(b) Is there any rule to the effect that clerks joining service after the 1st January, 1929, are required to pass a recruitment examination?

(c) If so, did the clerks referred to in part (a) pass that examination?

(d) If not, why not?

**Mr. P. R. Rau:** (a) Yes.

(b) Yes; but the rule refers only to permanent appointments.

(c) and (d). These clerks are temporary and were not required to pass the examination.

**RETRENCHMENT IN THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.**

**108. Pandit Satyendra Nath Sen:** (a) Will Government be pleased to lay on the table the list of discharged clerks in the Railway Clearing Accounts Office mentioned in the reply to starred question No. 461 (c) and (d), dated the 23rd February, 1933, in order of their service?

(b) Will Government be also pleased to state whether the order of this list will be the criterion for the employment of the retrenched clerks?

**Mr. P. R. Rau:** (a) and (b). Clerks will be re-employed according to their position in the waiting list maintained for the purpose. Government do not think that it will serve any public purpose to place it on the table of the House.

**RETRENCHMENT IN THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.**

**109. Pandit Satyendra Nath Sen:** (a) With reference to the list supplied in connection with Government reply to starred question No. 461 (c) and (d), dated the 23rd February, 1933, will Government please state if there are other persons in the Railway Clearing Accounts Office who are in service, but whose names have not been included in the list mentioned above?

(b) If so, why have their names not been included in the list?

(c) What is the special ground for the retention of each?

**Mr. P. R. Rau:** I am making enquiries and shall lay a reply on the table in due course.

**VOLUNTARY RETIREMENTS IN THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.**

**110. Pandit Satyendra Nath Sen:** With reference to starred question No. 493, dated the 25th February, 1933, regarding extension of time limit for voluntary retirement in the Railway Clearing Accounts Office, will Government kindly state when they may be expected to reach a final decision?

**Mr. P. R. Rau:** Two men have in all requested permission to retire voluntarily on the special terms announced and they have been allowed to do so.

**APPOINTMENTS MADE IN THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.**

**111. Pandit Satyendra Nath Sen:** (a) Will Government be pleased to place on the table of the House:

(i) the list of men in the Railway Clearing Accounts Office, appointed after the 1st January, 1929; and

(ii) the list of new men imported from other offices in the following form?

| Serial No. | Name of Men. | Name of offices from which imported. |
|------------|--------------|--------------------------------------|
|            |              |                                      |

(b) How many of list (i) have passed the recruitment examination?

**Mr. P. R. Rau:** (a) (i). The numbers so appointed and at present in employment are as follows:

*Clearing Accounts Office.*

- 10 permanent clerks.
- 6 temporary clerks.
- 5 temporary typists.
- 3 permanent punchers, etc.
- 13 temporary punchers, etc.
- 1 temporary lorry driver.
- 1 temporary caretaker.

*Rates Register Experiment.*

- 7 temporary clerks.
- 1 permanent typist.
- 1 temporary typist.

(ii) Ten temporary clerks have been taken from other offices. In addition, when certain work was transferred from railways to this office, certain permanent men were transferred along with the work.

Government do not consider that any public purpose will be served by placing a list of names on the table of the House.

(b) Teh.



**ARREARS OF WORK IN THE RATES EXPERIMENT SECTION OF THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.**

**112. Pandit Satyendra Nath Sen:** (a) Will Government be pleased to state if the works in the Rates Experiment Section under the Director, Railway Clearing Accounts Office, are in arrears?

(b) Is there any suggestion from the office that some additional men should be appointed to make up the arrears?

(c) If so, have Government arrived at any decision as to the above suggestion? If not yet, when are they expected to?

**Mr. P. R. Rau:** (a) and (b). Yes.

(c) The question of the maintenance of these Registers in future is under examination at present and orders thereon are expected to issue shortly.

**PERSONS WORKING IN THE RATES EXPERIMENT SECTION OF THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.**

**113. Pandit Satyendra Nath Sen:** (a) Will Government be pleased to lay on the table the list of men working in the Rates Experiment Section of the Railway Clearing Accounts Office?

(b) How many of them have been appointed after 1st January, 1929?

**Mr. P. R. Rau:** (a) and (b). There are 27 men now working in the Rates Register Section of whom 9 were appointed after 1st January, 1929. Government do not think that placing a list of their names on the table of the House will serve any useful public purpose.

**HINDU AND MUSLIM INSTITUTIONS UNDER THE EDUCATION DEPARTMENT, DELHI.**

**114. Pandit Satyendra Nath Sen:** (a) What is the number of Hindu institutions under the Education Department, Delhi, and what is the number of Muhammadan institutions?

(b) What is the total grant-in-aid for each?

**Mr. G. S. Bajpai:** (a) The number of Hindu institutions is 71 and of Muhammadan institutions 32.

(b) The total grant-in-aid paid so far during this year to Hindu institutions is Rs. 2,23,536-13-0 and to Muhammadan institutions Rs. 94,561-12-0.

**NON-RECOGNITION OF THE UPPER MIDDLE DEPARTMENT OF THE HINDU HIGH SCHOOL, DELHI.**

**115. Pandit Satyendra Nath Sen:** (a) Is it a fact that a Hindu High School has got its High School Department recognised while the Upper Middle Department is still left unrecognised?

(b) If so, what is the reason for this anomaly?

(c) Is it a fact that the recognition of the latter department rest mainly with the District Inspector of Schools?

(d) Is it a fact that the District Inspector of Schools as well as the Assistant District Inspector of Schools and the Head Clerk, Superintendent of Education office, are Muhammadans and the Superintendent of Education, a Christian?

(e) Is it also a fact that the Headmaster, Delhi School, is a Muhammadan?

(f) How is it that none of the above responsible posts is held by a Hindu?

**Mr. G. S. Bajpai:** (a) There is no such school.

(b) Does not arise.

(c) No, the District Inspector makes only a preliminary report as to the suitability of a school for recognition.

(d) Yes, except that two out of the three Assistant District Inspectors are Hindus.

(e) The Head Master of the Government High School is a Muslim.

(f) The Honourable Member's attention is invited to the reply given to starred question No. 1603 asked by Bhai Parma Nand in this House on the 7th December, 1932.

**INCONVENIENCES OF INTERMEDIATE CLASS PASSENGERS AT RAWALPINDI.**

**116. Sardar Sant Singh:** Will Government be pleased to state if the passengers holding inter class, second and 1st class tickets are allowed to pass by the same gate on the North Western Railway stations? If so, are Government aware that holders of inter class tickets are not allowed to pass by the same gate as the holders of 1st and 2nd class tickets at Rawalpindi Railway station?

(b) Are Government aware that holders of inter class tickets feel great inconvenience at Rawalpindi? If so, do Government propose to take necessary steps to remove this complaint?

**Mr. P. R. Rau:** Government have no information but are sending a copy of the Honourable Member's question to the Agent, for any action he may consider necessary.

**APPOINTMENT OF MUSLIMS IN CERTAIN POST OFFICES.**

**117. Mr. M. Maswood Ahmad:** Will Government be pleased to state whether it is a fact that during the year 1932:

(a) 40 clerks were appointed in the Upper Division, in the different Post Offices, in the city of Bombay, and that out of this number only one was a Muslim;

(b) 11 men were engaged in the Railway Mail Service and out of this none is a Muslim;

(c) 12 men were engaged in Baroda, out of whom only one is a Muslim;

(d) 20 men were engaged in the lower division, in Poona, out of whom none is a Muslim;

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- (e) 14 men were engaged in Ahmedabad, out of whom only one is a Muslim;
- (f) 15 men were engaged in local offices in Surat, out of whom only 2 were Muslims; and
- (g) 30 men were engaged in Belgaum, out of whom only 4 are Muslims?

**The Honourable Sir Frank Noyce:** No, the figures given by the Honourable Member are incorrect as he will see from the replies given below to each part of the question.

- (a) There was no direct recruitment to the upper division clerical cadre in the Bombay Circle.
- (b) to (g). The correct figures are as follows for direct recruitment to the lower division clerical cadre to which presumably the Honourable Member refers:

|                                                                      | Hindus. | Muslims.                 | Indian Christians. | Other communities. | Total. |
|----------------------------------------------------------------------|---------|--------------------------|--------------------|--------------------|--------|
| (b) Railway Mail Service (Bombay Circle)                             | 9       | ..                       | 1                  | ..                 | 10*    |
| (c) Baroda (Postal Division).                                        | 4       | 2                        | 2                  | ..                 | 10     |
| (d) Poona (both 1st class Head Post Office and Postal Division).     | 10      | 5                        | 2                  | ..                 | 17     |
| (e) Ahmedabad (both 1st class Head Post Office and Postal Division). | 5       | 3                        | 2                  | ..                 | 10     |
| (f) Surat (Postal Division)                                          | 7       | 4                        | ..                 | 2                  | 13     |
| (g) Belgaum (Postal Division)                                        |         | No recruitment was made. |                    |                    |        |

\*These men had been approved candidates, trained in R. M. S. work at Government cost. Orders have however been since issued for the observance of the third vacancy rule in the appointments of such candidates also.

#### COMMUNAL COMPOSITION OF CERTAIN POSTAL OFFICIALS IN THE CENTRAL AND BOMBAY POSTAL CIRCLES.

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

- (a) the number of Hindu and Muslim Superintendents of Post Offices, Gazetted Postmasters, Inspectors of Post Offices, Head Clerks to Superintendents of Post Offices, Head Clerks in charge of sections, in the Circle Office of the Central Circle; and

- (b) the same information with regard to the Bombay Circle?

**The Honourable Sir Frank Noyce:** (a) and (b). Government are in possession of the information only in respect of Superintendents of Post Offices and Gazetted Postmasters, which is given below:

|                                 | Hindus. | Muslims. |
|---------------------------------|---------|----------|
| Central Circle—                 |         |          |
| Superintendent of Post Offices  | 6       | 2        |
| Gazetted Post Masters           | ..      | ..       |
| Bombay Circles—                 |         |          |
| Superintendents of Post Offices | 8       | 2        |
| Gazetted Postmasters            | 5       | 1        |

Government do not consider that any useful purpose would be served by collecting the information in respect of the other cadres referred to, as appointments to those cadres are made solely by promotion irrespective of communal considerations.

#### NON-RECOGNITION OF THE ALL-INDIA MUSLIM POSTAL AND RAILWAY MAIL SERVICE UNION.

**119. Mr. M. Maswood Ahmad:** Will Government be pleased to state whether it is a fact that:

- (a) there are at present more than 15 Unions, Associations, etc., of Postal employees which are recognised by Government; and
- (b) the only Muslim Employees' Union, namely, the All-India Muslim Postal and R. M. S. Union has not yet been recognised by Government?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) Yes.

#### DESTROYING OF LETTERS, PACKETS, ETC., ADDRESSED IN URDU.

**120. Mr. M. Maswood Ahmad:** Are Government aware that a large number of letters, packets and other printed literature in Urdu are, instead of being delivered to the addressees, sent to the Dead Letter Office from where they are destroyed? If so, what action do they propose to take to remedy this state of affairs?

**Sir Thomas Ryan:** No. The circumstances of a letter or other postal article being addressed in Urdu does not render it liable to destruction. Under the statutory Post Office Rules the following classes of postal articles only are destroyed in Dead Letter Offices:

- (1) unpaid letters not securely closed.
- (2) unpaid postcards, and
- (3) unclaimed unregistered articles of the letter mail when all efforts to effect their delivery to the addressees or their return to the senders have failed.

Government do not propose to take any action, in view of what I have stated.

#### INITIAL PAY OF GRADUATES IN THE POSTS AND TELEGRAPHS DEPARTMENT.

**121. Mr. C. S. Ranga Iyer:** (a) Is it a fact that prior to 19th September, 1930, there was no order discriminating between graduates in arts, science or commerce for the purpose of starting pay in the Posts and Telegraphs Department?

(b) Is it a fact that graduates and undergraduates in commerce were actually recruited on a higher starting pay admissible to graduates and undergraduates in arts and science and that they were allowed to draw the higher rates of pay for several years in accordance with Government orders of 1920?

(c) Is it a fact that on 19th September, 1930, an order was issued giving the benefit of higher starting pay in the Posts and Telegraphs Department only to those degree and diploma holders in commerce who entered the department after 19th September, 1930?

(d) Is it a fact that according to this order the pay of graduates and undergraduates in commerce already recruited before that date was reduced with retrospective effect and that the pay alleged to have been overdrawn by them is being recovered, thereby bringing them on the same level as the matriculates?

(e) Is it a fact that there is a rule that the pay which is drawn by an official "Under the reasonable belief that he is entitled to it" may not be recovered?

(f) Will Government please state if there is any order giving the graduates and intermediates in science (B.Sc. and I.Sc.) the same benefits of pay, etc., enjoyed by graduates in arts (B.A.)? If not, what led Government to issue special orders regarding graduates and intermediates in commerce only?

(g) Do Government propose to waive recovery from the officials affected and restore their pay thereby putting them on the same footing with other graduates? If not, why not?

(h) Will Government please supply the following information:

- (i) the number of graduates and undergraduates in commerce affected in each circle by the order,
- (ii) the total amount ordered to be recovered from them,
- (iii) the number of graduates and undergraduates in commerce recruited after the 19th September, 1930, and
- (iv) the number of graduates and undergraduates in commerce who were *ab initio* denied the privilege of the orders of the Government of India passed in 1920 granting them a higher starting pay to graduates and intermediate passed entrants to the Posts and Telegraphs Department; and why they were deprived of the benefit?

Sir Thomas Ryan: (a) No.

(b) and (d). The concession had been wrongly allowed by local authorities in a few cases, and overpayments were recovered.

(c) Yes.

(e) There is no such general rule.

(f) There is no special order but the concession was originally intended for graduates and intermediates in Arts and Science only. It was not until 1927 that the question was raised, whether the concession should be extended to graduates and intermediates in commerce and subsequently the orders referred to in part (c) of the question were issued by Government.

(g) The matter will be re-examined, but it is not the practice for Government to grant concessions with retrospective effect and it is only if the circumstances are found to be very exceptional that Government will be prepared to revise past orders.

(h) Government regret that the information is not readily available.

#### STATEMENTS LAID ON THE TABLE.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to starred question No. 409 asked by Seth Haji Abdoola Haroon on the 21st February, 1933.

#### INADEQUATE EMPLOYMENT OF MUSLIMS IN THE CLERICAL CADRE OF THE KARACHI GENERAL POST OFFICE.

\*409. (a) and (b) No. There were 35 vacancies and not 16 as stated by the Honourable Member. Of these five were abolished and three were converted into lower division posts and filled up by the promotion of departmental officials. Of the remaining 27 vacancies in the upper division clerical cadre, 12 and not two as stated by the Honourable Member were filled by Muslims.

(c) Does not arise.

**Mr. G. R. F. Tottenham** (Army Secretary): Sir, I lay on the table the information promised in reply to unstarred question No. 29 asked by Mr. Bhuput Sing on the 25th February, 1933.

#### OCCUPATION OF SCHOOL, COLLEGE AND LIBRARY BUILDINGS BY MILITARY BATTALIONS IN BENGAL.

29. (a) Government are aware that certain school buildings and two college hostels in Bengal were occupied for short periods by troops and one platoon of the Eastern Frontier Rifles.

(b) Hooghly, Chittagong, Dacca, Rajshahi and Faridpur.

(c) Government have no reason to believe that any serious inconvenience was caused to the public by the use of such buildings by the troops none are occupied at present, but it may be necessary to use them from time to time if no other suitable accommodation is available.

**Mr. H. A. F. Metcalfe** (Foreign Secretary): Sir, I lay on the table the information promised in reply to supplementary questions to starred question No. 1139 asked by Dr. Ziauddin Ahmad on the 14th November, 1932.

#### HOUSES BUILT BY INDIANS IN MECCA FOR THE BENEFIT OF INDIAN PILGRIMS.

\*1139. During his visit to Mecca in 1931, Khan Bahadur Kunwar Mohammad Ubaidullah Khan, M.B.E., of Dharampur, United Provinces, found several people occupying his house without permission, and as the result of action taken by him, some of these people were expelled.

On his return to India, he corresponded with His Majesty's Minister at Jeddah on the subject of the future management of the property. A power of attorney has been duly legalised by the legation and the Saudi Ministry of Foreign Affairs, whereby Saiyid Aqil Sahib at Mecca will act as Manager under the general supervision of the Indian Vice-Consul at Jeddah.

The conditions of this power of attorney are as follows:—

1. The house will be kept under supervision of Saiyid Aqil Sahib Wakil at Mecca under the guidance of Khan Bahadur Munshi Ihsanullah, Indian Vice-Consul at Jeddah.
2. Only Indian pilgrims will be allowed to reside in the house without rent during their Haj days.
3. Only those Indian pilgrims, who have taken written permission from the said Khan Bahadur Munshi Ihsanullah, Indian Vice-Consul, Jeddah, or from Khan Bahadur Kunwar Mohammad Ubaidullah Khan, M.B.E., of Dharampur or his cousins, Kunwar Abdul Jalil Khan, Kunwar Abdul Jamil Khan or Kunwar Abdul Salam Khan, will be allowed to reside in the house. After the Haj season the house will be closed.

## MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

## ELECTION OF THE DEPUTY PRESIDENT.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I have received the following communication from His Excellency the Governor General:

(The Assembly received the Message standing.)

*"In pursuance of the provisions of sub-section (2) of section 63C of the Government of India Act, I, Freeman, Earl of Willingdon, hereby signify that I approve the election, by the Legislative Assembly, of Mr. Abdul Matin Chaudhury as Deputy President of the said Assembly."*

NEW DELHI;  
The 21st March, 1933 }

(Sd.) WILLINGDON,  
Viceroy and Governor General"

(After the Message was read, Mr. Abdul Matin Chaudhury took the seat of the Deputy President.)

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Mr. Deputy President, on behalf of the House and on my own behalf, I wish to offer to you my hearty congratulations on your election as the Deputy President of this House. (Applause.) We have observed your career in this House for over seven years, and, apart from the fact that, whenever you had intervened in the debates, you had made useful contributions, you have been one of the most popular Members of this House. (Applause.) To me it is a matter of personal gratification that one whom I have known intimately and with whom I have worked in close co-operation has been called upon to fill this office, and I confidently expect from you valuable help in the work of this House, and I have no doubt that you will so conduct yourself as to prove worthy of the confidence that this House has placed in you. (Applause.)

**Mr. Abdul Matin Chaudhury** (Mr. Deputy President): Mr. President, I thank the Honourable Members of this House for the great honour that they have done me by electing me to this honourable position. All I can say at the moment is that I shall try to prove worthy of the office which I have been called upon to occupy. I must confess, Sir, that my knowledge of the rules and procedure of the House is for the moment absolutely blank, but I hope I am not too old to learn. (Hear, hear.) As Deputy President, I realise that I have got a double function to perform. As a Member of the Opposition, like the Irishman, Sir, I have been always against the Government (Hear, hear), but, Sir, when called upon to preside over the deliberations of this august body, my watchword will be, as you said in your address to this House, "impartiality". I hope, Sir, I should be able to discharge the duties of the office to the satisfaction of all concerned. (Applause.)

## THE INDIAN FINANCE BILL—contd.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume consideration of the Finance Bill, clause by clause. Clause 4 relates to Schedule No. I. I, therefore, propose to take Schedule No. I first.

The question is that Schedule I stand part of the Bill.

**Mr. T. N. Ramakrishna Reddi** (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): Sir, I beg to move the amendment that stands in my name, namely:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, before the existing entries under the head *Letters*, the following new entry be inserted:

'For a weight not exceeding one tola..... Nine pias'."

Sir, the Honourable the Commerce Member last year in reply to an amendment for a reduction of the increases in rates for the postcards and letters stated that he did not require, from the galaxy of amendments that had been given notice of, any reminder of the interest that Honourable Members were taking in the matter of postage rates. He did not, however, put his sympathy to practice; on the other hand, he had increased the rates for the postcards by 50 per cent. and for the letters by about 25 per cent. He said on that occasion that if we did not approve the rates that he had proposed, it would mean that we were shirking our duty, that we were only giving expression to lip sympathy for the poor people, and that we were trying to throw the burden upon the poor people rather than bear the burden ourselves who were in a much better position to do so. He said that, if it was the intention of Honourable Members to relieve the poor tax-payers of the burden, it was incumbent upon the House to accept the higher rates.

Sir, there are two fundamental fallacies in that statement of the Honourable the Commerce Member. In the first place, the poor people will not suffer by these increases in the rates. As a matter of fact, there are millions of poor people, uneducated people who do not take to post office at all. They will not be affected by any increase in the rates. On the other hand, there are a few rich who can easily bear any slight increase in the rates. Leaving aside these two extreme cases, we will find that there are about a couple of millions of people in this country who have to bear the brunt of these increased rates. So, Sir, the burden of increase has to be borne by the lower middle class people who usually resort to postal communications. The Honourable Member calculated that, out of 350 millions of people, there are about 50 millions of people who generally write letters and take to postal communications and, therefore, the burden would be very light. He calculated that the burden would be about three pias per month on such people; so it was not a very great burden and the people could easily bear it. I beg to submit that it is not the case. It is generally the literate people that write letters, the large mass of uneducated people in this country do not take to writing letters. Supposing the percentage of literacy to be about two per cent., it would come to about six millions of people who are literate in the whole of India. Of these six millions, those who write letters will be only about two millions. The other four millions know how to read and write only in name, but they are not in a position to communicate by means of letters. Of these two millions, there are, we may take it roughly, about one million people who are rich and, therefore, could not feel the burden. So there will be only about one million people who have to bear the burden of these increases in rates. This rise in the rates for letters and postcards will be a great burden in the case of this small percentage of the population in India. So even if they have to bear the burden at the rate of only one rupee extra per month, it would be a

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very great burden indeed, because their resources are slender. It is not, as my Honourable friend said, three pies per head per month, but it is something like one rupee extra burden for this limited class of people. It will really be a very serious burden.

Then, Sir, the Honourable Member said that we must pay for the services we get and that the richer people must bear the burden so that the poor people may be let off lightly. Here also I shall prove that the increases in rates fall more heavily on the poor people than on the rich people. Sir, before 1922, the price of a postcard was quarter of an anna, and that of a cover was half an anna. Then they raised the rate for the cover from half an anna to one anna and, then, by the Indian Finance Supplementary Act, they raised it to one anna and three pies. When they did that, they also raised the weight of the letter from one tola to 2½ tolas. Here, Sir, I submit, this rise in the weight of the letter is only to benefit the richer people and not the poorer people. It is only the rich people and people who can afford, that write letters in thick papers. It is the mercantile people and others who write heavy letters with a number of pages in their letter and, so, even though the rate was half an anna in 1922, they had to pay extra charges for their letters on account of their heaviness. At that time, the weight was only one tola per letter. This increase from half an anna to one anna and subsequently to one anna and a quarter has not affected them, because they still continue to pay the same thing which they paid before. On the other hand, if a man with slender means has to write a letter, even though the weight of that letter comes within one tola, he has yet to pay a higher rate of one anna and a quarter and thus it is only the poor people who have been hit by this increase in the weight of this letter. That is why I have now proposed in my amendment that there should be an intermediate rate for the letter. For the letter weighing one tola the price should be three-fourths of an anna. That would really relieve the burden for the poor. Again, it is said that the richer people are shirking the burdens and they want to throw the burden on the poor. That is not the case. I can illustrate this point. It is a well-known fact that the post office is paying its way.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): I regret to contradict the Honourable Member, but it is news to me that the post office is paying its way. I wish it were.

**Mr. T. N. Ramakrishna Reddi:** Till a couple of years ago, it was the post office that was paying its way and the heavy deficits were only on the telegraph side. Taking both the postal and the telegraph side, the deficit has come to some lakhs. If you want to see that the poor people are not put to such heavy burden, then your clear duty ought to have been to increase the rates for the telegraph and telephones. These are the luxuries of the rich people and it is very rarely that these poor people resort to telegraph and telephones. When I deal with the figures of revenue and expenditure, I will develop that point. At present I may mention that you should increase the rates for the telegraph and the telephone.

Then, Sir, the Honourable the Commerce Member last year said that there has been a great deficit in the Post and Telegraph Office and so there is no other way but to raise the postal and telegraph rates and he

said that, by raising these rates, there will naturally be a fall in the volume of correspondence, but that will be more than compensated for by the increase of revenues which the Government would get. He has illustrated this point by making some mathematical calculation. He said that in the previous years, taking the average of the years from 1922—1933, the average increase of correspondence is about 10 millions of card and 10 millions of covers. So the usual increment in the revenue per year would be about three lakhs of rupees if the rates continue to be the same. He said that by the enhanced rates which he had proposed last year, there might be a fall of hundred million cards and hundred million letters, but yet on account of the higher rates he would get an increased revenue to the extent of 24 lakhs in the sale of cards alone. The fall in correspondence will be more than compensated by the rise in the revenue which the Government would get and not only that, on account of the fall in traffic, they can retrench some of the staff and thus also the Government stand to gain. Here also this forecast of the Honourable the Commerce Member has been disproved by actual facts. With regard to the fall in the volume of correspondence and thereby dispensing with certain staff, I beg to submit that by mere fall of hundred millions of letters, it is not possible to retrench any of the staff. That is only an argument that could be used to support their case, but it has no foundation in actual practice. Take a particular post office. Supposing 100 letters were going every day and that, on account of the fall, the correspondence falls to 50 letters, still you maintain the same staff, the same postmaster, the same runner, and so you cannot retrench the existing staff.

**The Honourable Sir Frank Noyce:** The staff is reduced proportionately to the traffic, not, it is true, in strict proportion, but it is reduced as the traffic falls.

**Mr. T. N. Ramakrishna Reddi:** I shall endeavour to disprove this statement. Now, a runner has to carry, say, 100 letters. On account of this fall in the correspondence, he is now to carry only 50 letters. Are the Government prepared to dispense with that runner on that account? Certainly not, because there will then be no one to carry those letters. So, whether he carries 50 letters or 100 letters, he has got to be maintained. It is only in extreme cases when the revenues fall very considerably that the Government might close a particular office here or dispense with a runner there and thus effect some retrenchment, but not by reason of a short fall in the volume of correspondence. With regard to the higher revenue which the Government hoped they would get on account of this rise in the rates, we on this side of the House have already sounded a note of warning to the Government that already the taxation in India has reached such a high level that it is impossible for the Government to realise the money which they hoped they would get on account of this heavy taxation. Sir, it has been amply illustrated ever since 1930 when the era of additional taxation commenced that the revenues have dwindled and it is only on account of this very heavy taxation that they are getting as much revenue as they were getting at the time when there were lower rates prevailing. That clearly shows that the law of diminishing returns began to operate since 1930. We also sounded a note of warning last year that even in spite of the increase of these rates, the Government are not going to get the revenue which they had expected, but the Government were bent upon increasing the rates and they calculated that they would

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very great burden indeed, because their resources are slender. It is not, as my Honourable friend said, three pies per head per month, but it is something like one rupee extra burden for this limited class of people. It will really be a very serious burden.

Then, Sir, the Honourable Member said that we must pay for the services we get and that the richer people must bear the burden so that the poor people may be let off lightly. Here also I shall prove that the increases in rates fall more heavily on the poor people than on the rich people. Sir, before 1922, the price of a postcard was quarter of an anna, and that of a cover was half an anna. Then they raised the rate for the cover from half an anna to one anna and, then, by the Indian Finance Supplementary Act, they raised it to one anna and three pies. When they did that, they also raised the weight of the letter from one tola to  $2\frac{1}{2}$  tolas. Here, Sir, I submit, this rise in the weight of the letter is only to benefit the richer people and not the poorer people. It is only the rich people and people who can afford, that write letters in thick papers. It is the mercantile people and others who write heavy letters with a number of pages in their letter and, so, even though the rate was half an anna in 1922, they had to pay extra charges for their letters on account of their heaviness. At that time, the weight was only one tola per letter. This increase from half an anna to one anna and subsequently to one anna and a quarter has not affected them, because they still continue to pay the same thing which they paid before. On the other hand, if a man with slender means has to write a letter, even though the weight of that letter comes within one tola, he has yet to pay a higher rate of one anna and a quarter and thus it is only the poor people who have been hit by this increase in the weight of this letter. That is why I have now proposed in my amendment that there should be an intermediate rate for the letter. For the letter weighing one tola the price should be three-fourths of an anna. That would really relieve the burden for the poor. Again, it is said that the richer people are shirking the burdens and they want to throw the burden on the poor. That is not the case. I can illustrate this point. It is a well-known fact that the post office is paying its way.

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**Mr. T. N. Ramakrishna Reddi:** Till a couple of years ago, it was the post office that was paying its way and the heavy deficits were only on the telegraph side. Taking both the postal and the telegraph side, the deficit has come to some lakhs. If you want to see that the poor people are not put to such heavy burden, then your clear duty ought to have been to increase the rates for the telegraph and telephones. These are the luxuries of the rich people and it is very rarely that these poor people resort to telegraph and telephones. When I deal with the figures of revenue and expenditure, I will develop that point. At present I may mention that you should increase the rates for the telegraph and the telephone.

Then, Sir, the Honourable the Commerce Member last year said that there has been a great deficit in the Post and Telegraph Office and so there is no other way but to raise the postal and telegraph rates and he

said that, by raising these rates, there will naturally be a fall in the volume of correspondence, but that will be more than compensated for by the increase of revenues which the Government would get. He has illustrated this point by making some mathematical calculation. He said that in the previous years, taking the average of the years from 1922—1933, the average increase of correspondence is about 10 millions of card and 10 millions of covers. So the usual increment in the revenue per year would be about three lakhs of rupees if the rates continue to be the same. He said that by the enhanced rates which he had proposed last year, there might be a fall of hundred million cards and hundred million letters, but yet on account of the higher rates he would get an increased revenue to the extent of 24 lakhs in the sale of cards alone. The fall in correspondence will be more than compensated by the rise in the revenue which the Government would get and not only that, on account of the fall in traffic, they can retrench some of the staff and thus also the Government stand to gain. Here also this forecast of the Honourable the Commerce Member has been disproved by actual facts. With regard to the fall in the volume of correspondence and thereby dispensing with certain staff, I beg to submit that by mere fall of hundred millions of letters, it is not possible to retrench any of the staff. That is only an argument that could be used to support their case, but it has no foundation in actual practice. Take a particular post office. Supposing 100 letters were going every day and that, on account of the fall, the correspondence falls to 50 letters, still you maintain the same staff, the same postmaster, the same runner, and so you cannot retrench the existing staff.

**The Honourable Sir Frank Noyce:** The staff is reduced proportionately to the traffic, not, it is true, in strict proportion, but it is reduced as the traffic falls.

**Mr. T. N. Ramakrishna Reddi:** I shall endeavour to disprove this statement. Now, a runner has to carry, say, 100 letters. On account of this fall in the correspondence, he is now to carry only 50 letters. Are the Government prepared to dispense with that runner on that account? Certainly not, because there will then be no one to carry those letters. So, whether he carries 50 letters or 100 letters, he has got to be maintained. It is only in extreme cases when the revenues fall very considerably that the Government might close a particular office here or dispense with a runner there and thus effect some retrenchment, but not by reason of a short fall in the volume of correspondence. With regard to the higher revenue which the Government hoped they would get on account of this rise in the rates, we on this side of the House have already sounded a note of warning to the Government that already the taxation in India has reached such a high level that it is impossible for the Government to realise the money which they hoped they would get on account of this heavy taxation. Sir, it has been amply illustrated ever since 1930 when the era of additional taxation commenced that the revenues have dwindled and it is only on account of this very heavy taxation that they are getting as much revenue as they were getting at the time when there were lower rates prevailing. That clearly shows that the law of diminishing returns began to operate since 1930. We also sounded a note of warning last year that even in spite of the increase of these rates, the Government are not going to get the revenue which they had expected, but the Government were bent upon increasing the rates and they calculated that they would



[Mr. T. N. Ramakrishna Reddi.]

get about Rs. 50 lakhs additional revenue; but what is the result? In 1928-29, while the old rates were in existence, that is when the postcard was sold at half an anna and the cover at one anna, the revenue was Rs. 7,54,00,000 odd. In 1929-30, it was Rs. 7,89,00,000 odd. In 1930-31, it was Rs. 7,50,00,000. This slight decrease in 1930-31 has been due to the extreme depression in trade and so many other causes which I need not dilate upon here. But what do we find after you imposed these heavy increases in the value of postcards and covers? For 1931-32, we have not yet got the review of the working of posts and telegraphs ready yet. But we find from the volume for demands for grants that the revised estimate for 1931-32 is only Rs. 7,42,00,000. Thus there is a fall of nearly ten lakhs, and that too when in that period these higher rates have operated only for six months and not for the full year; and now for 1932-33 in which the higher rates have operated for a whole year, according to the revised estimates the revenue is Rs. 7,20 lakhs. That shows that there is a fall of nearly Rs. 70 lakhs from the revenue which we got in the year 1929-30 and of about Rs. 30 lakhs from the revenue for 1930-31; and for the present year you have budgeted only for a revenue of Rs. 7,28,00,000 from the Post Office side. Thus you will realise that there has been a precipitate diminution in the revenue. This heavy fall in the revenues is directly attributable to the increase in the rates for postcards and covers. Of course we must congratulate the Government on having appointed a Retrenchment Committee with a view to reducing the expenditure. Before 1926-27, the Post Office was paying its own way and it was getting additional revenue. In 1926-27 there was a net saving of Rs. 21 lakhs and in 1927-28 there was net saving of Rs. 24 lakhs, whereas the Telegraph Department has always been a drag on the Post Office. Even in 1926-27, there was a deficit of Rs. 12 lakhs and, in 1927-28, there was a deficit of Rs. 29 lakhs in the Telegraph Department. It was only in 1928-29 that the Post Office began to yield a diminishing revenue. Even then it had been yielding more revenue than in the previous years, but on account of the revised rates of pay for the lower staff, it has begun to show a net deficit of Rs. 25 lakhs; and, in the year 1928-29, the telegraph side showed a deficit of Rs. 29 lakhs. In 1929-30, there was a deficit of 21 lakhs in the Post Office, whereas there was a deficit of 42 lakhs in the Telegraph Department. In 1930-31, there was a deficit of 62 lakhs in the Post Office and a deficit of 61 lakhs on the telegraphs side. It is thus clear that it is the telegraph side and the telephone side that are mostly contributing to the loss in working, and if the Government want that the burden should be distributed equally, they ought to raise the rates for telegraphs and telephones and not the rates for postcards and letters; and that is why I now propose an intermediate rate, thereby reducing the value of a cover to three-quarters of an anna when weighing one tola. In the first instance, on account of the reduction in rates, there is sure to be found an increase in the volume of correspondence. In this connection it may be noted that the population has risen by 30 million in this decade and literacy has also spread. So, many more people than in former years will take to correspondence if only proper facilities are provided. By reducing these rates many poorer people will also take to correspondence. Thus there will be an increase in the volume of correspondence which in itself will yield an additional revenue to the Government. In the second place, the Postal Department has been considered to be a public utility department

and the successive Honourable Members for Commerce have reiterated that they would not expect to get any profits to the Government, but that it would be enough if it is made self-sufficing. So, the Post Office will again become a public utility department serving the people of this country. Then, in the next place, you are still retaining your higher rates. That means that the rich people continue to pay higher rates, because the volume of their correspondence will be heavy and the income will not be diminished. So, by adopting this amendment, you are doing good both to the poor people and also you stand to gain by the increase in the volume of correspondence. I, therefore, commend the amendment which stands in my name to the acceptance of this House and I hope Government also will find their way to accept it. With these words, Sir, I beg to move my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, before the existing entries under the head *Letters*, the following new entry be inserted:

'For a weight not exceeding one tola ..... Nine pies'."

**The Honourable Sir Frank Noyce:** Sir, following the example of my Honourable friend, the Finance Member, recently, I might reply to this amendment in one sentence. It will cost me 62 lakhs and I cannot afford it. But, Sir, that would not be treating the House fairly and I think it would save the time of the House and enable my Honourable friends opposite to decide the line they will take in dealing with subsequent amendments of the same nature if I were to review the whole position now. I trust that that course will commend itself to my Honourable friends opposite.

Now, Sir, I know of nothing which would have given me greater satisfaction at the end of my first year's tenure of the Industries and Labour Membership than the inclusion in the Budget of proposals for the lowering of the rates for letters and postcards. It is a matter of profound regret to me personally that our review of the existing conditions has forced us to the conclusion that this cannot be done without a departure from the policy which a study of the debates on this subject during the last decade has shown me is the policy which has on most—I cannot say on all—occasions commended itself to this House. That policy is that those who make use of the facilities provided by the Posts and Telegraphs Department should pay just as much, but not more than it costs to provide them and that the general tax-payer should not be called upon to shoulder burdens which should rightly be borne by the senders of letters, postcards and telegrams. I hope that I shall be able to convince the House that no other conclusion was possible in the circumstances. But, in order to do so, I must crave its indulgence if I review very briefly the financial results of the working of the Posts and Telegraphs Department since the year 1925-26, in which year its accounts were re-constituted on commercial lines.

The accounts for 1925-26 showed a profit of 37 lakhs. In the next year (1926-27), they dwindled to ten lakhs and that, I am sorry to say, was the last year in which the Department has shown any profit at all. The loss of 26 lakhs in 1927-28 increased to 54 lakhs in 1928-29 and to 62 lakhs in 1929-30. In 1930-31, it had reached the colossal figure of 183

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lakhs but, in 1931-32, it was reduced to 94 lakhs. Now, Sir, to complete the picture I would add that, as Honourable Members who have studied the Budget figures, as my Honourable friend, Mr. Ramakrishna Reddi, has done, are aware, we anticipate a loss of 48 lakhs in the current year and of 57 lakhs next year. Now, although the deterioration in the financial position up to the end of 1928-29 gave some cause for anxiety, it was in the main attributable to the substantial improvements in the scales of pay of the lower paid staff throughout the Department which had taken place in the years 1925-26 to 1928-29. Although the heavy commitments thus incurred had involved the Department in serious losses, it was then anticipated that, as a result of a normal growth of revenue, financial equilibrium would again be reached by the end of next year, that is, by the end of 1933-34, without having recourse to any enhancements in the post and telegraph tariffs. I should like, if I may, to digress here for a moment to refer to some observations which have recently been made in this House and which seemed to charge the Government with extravagance in recent years in raising the pay of the subordinate staff of the Department. We were reminded yesterday by my Honourable friend, Mr. Ghuznavi, that memories are short and I should like to remind the House that, whatever may be said on this subject now, it is an undeniable fact that it was under strong pressure from the Benches opposite that my predecessor, Sir Bhupendra Nath Mitra, undertook and carried throughout his term of office the programme of improvement of pay to which I have just referred. In one of his last speeches in this House, speaking on this subject he said:

"If I am entitled to any credit for what has been done for these people in the last four or five years, surely the House is entitled to the fullest share of that credit; for it is due to continued pressure from Members of this House that that action has been taken. The pressure began with my Honourable friend, Mr. Jinnah, in the early days of 1925 just after I had taken over charge of my present portfolio and it has been continued practically from day to day by the various Members in various quarters of this House".

Every new rate of pay, I should like to emphasise, has been put before the Standing Finance Committee without exception and all the rates of pay were revised with the warm approval of that Committee. This House, therefore, shares the fullest responsibility with Government for any extravagance there may have been in raising the rates of pay in the Posts and Telegraphs Department.

Now, Sir, the economic cataclysm from which we have unfortunately not yet emerged put an end to the anticipation to which I have referred that there would be an early restoration of financial equilibrium in the Posts and Telegraphs Department and, instead of an increase in the revenue in 1930-31, there was a fall of 47 lakhs. Since then, as this House is also well aware, especially in the course of a debate such as this, economic conditions have steadily worsened and it has been necessary to take the most drastic steps in order to lessen the enormous and increasing chasm between the receipts and expenditure of the Department. Those steps again, as the House is well aware, have taken two forms.

12 Noon. On the one hand, we have had to carry out the most extensive retrenchment in the Department, and, on the other, we have had to raise our postal and telegraph rates. These measures have not yet proved entirely successful in bridging the gap, but it will be seen from the figures I have just quoted that last year the loss was reduced by nearly 40 lakhs

while, during the current year, we anticipate a further reduction of 46 lakhs. It has, however, to be remembered that the partial remission of the pay cuts will impose an additional burden of about 27½ lakhs on the Department next year, but, in spite of that fact, the increase of the loss during the year is not expected to amount to more than nine lakhs. It must also be remembered that this striking improvement in the position of the Department has been achieved notwithstanding the further deterioration of the general economic conditions obtaining in India and in the world in general which has occurred since 1930-31.

Now, Sir, so far as I have been able to gather in the course of the general Budget discussion, there are four grounds and four grounds only on which my Honourable friends opposite have urged, and I have no doubt will urge, a reduction in the postal rates. The first of these is that the policy of self-support which is the ideal at which we are required to aim and at which we are constantly aiming is a wrong one and that, as a public utility department, there would be no objection to running the Posts and Telegraphs Department deliberately at a loss in the interests of cheap communications. The second is that by reducing the rates,—and this is an argument which has been brought forward by my Honourable friend, Mr. Ramakrishna Reddi,—we should gain either immediately or in the long run by the stimulus thereby afforded to traffic. The third is that there is scope for further economies in the running of the Department by securing which the working expenses would be so reduced as to make up for any loss resulting from a reduction in the rates. The fourth is that the accounts of the Department as now prepared misrepresent the true financial results of the Department's working to its disadvantage.

Now, Sir, I propose to ask the indulgence of the House whilst I deal briefly with all these four grounds. I shall deal more briefly with the first than with any of the others, for I am sure the House will not have forgotten the statement of the policy of the Department which was made by my predecessor, Sir Joseph Blore, in his speech in November, 1931. I do not think there are many Members of this House who would seriously dispute the position that a public utility department should pay its way; and that, as has so often been stated from these Benches, is all the Government expect the Posts and Telegraphs Department to do. It is frequently argued that the Posts and Telegraphs Department has to shoulder many charges, unremunerative post offices in out of the way places, low rates for press telegrams and newspapers and the like, which would not be imposed if it were a purely commercial department which could fix its own charges in relation to the particular classes of traffic. But, Sir, it must be remembered that, on the other hand, the post office has a valuable monopoly. What we expect from it is that what it loses on the swings it should gain on the roundabouts, and that, therefore, the gains and the losses should counterbalance each other. We do not ask from it more than that.

Now, Sir, I come to the second argument that reductions in rates would either immediately or eventually be definitely beneficial to the finances of the Department. That is an argument which found favour in the eyes of the Leader of the Nationalist Party in his remarks the other day when he seemed to think that both the postal and railway deficits would disappear if this course were adopted. I do not know about railway deficits, Sir, but I am perfectly certain that the argument does not hold good as far as the Posts and Telegraphs Department is concerned. I very

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Prasad Singh and Mr. Azhar Ali, to name only a few of them—that I can safely leave to them the refutation of any arguments on this point which may be brought forward. All I need say myself is that even if the full cut at present in force were to be retained throughout the year 1933-34, the result would be to reduce the estimated loss next year from 57 lakhs of rupees to 29 lakhs of rupees, so that the Department would still be unable, consistently with the accepted policy, to adopt any measures involving an aggravation of that loss. In any case, it would have been inequitable to retain the full cut in the case of this particular Department whilst granting partial remission thereof to other Departments of the Government of India.

Lastly, Sir, I come to the fourth argument that has been brought forward from time to time in connection with the proposals for reduction of the postal and telegraph rates and that is that the present accounts are misleading and show the Department to be working at a heavy loss, whereas the real facts are that it is more than paying its way. It was to deal once for all with that allegation that the Government of India appointed a Postal and Telegraph Accounts Enquiry Committee which was also presided over by my Honourable friend, Sir Cowasji Jehangir. After an exhaustive enquiry, Sir, Sir Cowasji's Committee came to the conclusion that the main principles on which the re-constituted accounts of the Department have been based are sound and that, subject to the adoption of certain recommendations embodied in their report, the result shown by those accounts were substantially accurate. Most of these recommendations have been accepted by the Government of India and the Auditor General, and the accounts for the year 1931-32, as well as the estimates for 1932-33 and 1933-34, have been prepared in accordance with the decisions of the Government upon them. These decisions have had the immediate effect of reducing the losses attributable to the Department by approximately 14 lakhs per annum and it is probable that the relief afforded to the working expenses of the Department will increase as time goes on. I hope, Sir, that this statement will dispel any suspicions that may hitherto have been entertained by the Members of this House or the public generally regarding the substantial accuracy of the results as disclosed by those accounts.

My Honourable friend, Mr. Ramakrishna Reddi, has suggested one method by which we can make up the deficit which would result from the adoption of his proposals. He says what you lose on the postal side you can make up on the telegraph side. I do not think, Sir, that the figures bear him out. In the first place, I would point out that in our estimates for the next year we estimate a loss of 22 lakhs on the postal side and of 30 lakhs on the telegraph side. During the current year, the estimated loss is 23 lakhs on the postal side and 21 lakhs on the telegraph side. We, therefore, lose approximately just about as much on the one as we do on the other. I am sorry, my Honourable friend, Sir Cowasji Jehangir and my Honourable friend, Mr. Mody, were absent from the House when Mr. Ramakrishna Reddi's suggestion was put forward. I trust that they will, in the course of the discussion, give us their views on the desirability of putting up the telegraph rates any higher than they are at present. The point really is that the law of diminishing returns applies very much more quickly on the telegraph side than it does on the postal side, and that if we were to put up the rates as suggested by Mr. Ramakrishna Reddi we should be hitting our telegraph traffic to such an extent that far from gaining, we should increase the loss very rapidly indeed. I would point out to Mr. Ramakrishna Reddi that the receipts from the postal side are about

two and a half times as much as they are from the telegraph side, and that, therefore, you would want a very substantial increase indeed on the cost of telegrams to make up the deficit involved in the acceptance of his proposals. The suggestion is quite impracticable . . . . .

**Mr. C. C. Bismas** (Calcutta: Non-Muhammadan Urban): Can you not raise the Air Mail postage by 25 per cent.?

**The Honourable Sir Frank Noyce:** The amount brought in would be absolutely negligible: the postal fees charged on Air Mail letters amount to about Rs. 500 a week . . . . .

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): And is it not very much more than the corresponding Air Mail fee from England which is six pence from England, whereas it is eight annas from here?

**The Honourable Sir Frank Noyce:** That is perfectly true. Now, I trust I have convinced the House that no reduction in the existing tariff of telegraph and postal charges can be safely made at the present moment. I trust that the House will recognise that we are making every effort to restore the Postal and Telegraph department to a position of financial equilibrium. I can assure it that these efforts will not be relaxed during the current year, and I very much hope that, when I come before this House next year at this time, I shall have a much more cheerful tale to tell. I would again repeat the assurance given by my predecessor in 1931 when he said:

"When we are sure that surpluses have come to stay, we shall use them for the extension of postal facilities, for reorganisations which may be necessary in order to ensure the highest efficiency and also for revisions of rates which may be possible and reasonable."

I would add, and I ask the House to take special note of this assurance, that my Honourable colleague, the Finance Member, and I are agreed that it is the revision of rates which should come first in this category.

**Mr. President** (The Honourable Mr. B. K. Shanmuktam Chetty): The question is:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, before the existing entries under the head *Letters*, the following new entry be inserted:

'For a weight not exceeding one tola . . . . . Nine pies'."

The motion was negatived.

**Mr. B. Sitaramaraju** (Ganjām cum Vizagapatam: Non-Muhammadan Rural): Sir, I move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Letters* the following be substituted:

'For a weight not exceeding one tola . . . . . One anna.  
For every additional tola or fraction thereof . . . . . Half an anna'."

In moving this amendment I do not propose to go into that old old but ever-new story of the unsympathetic way in which the public utility services like the postal services are being administered. Nor do I propose to bring out the arguments which have been repeatedly made in this House, because they are all ever present in the minds of Honourable Members.

[Mr. B. Sitaramaraju.]

But in moving this amendment I would like to show that I have tried my best to go as far as is possible to meet the Government's point of view. If Honourable Members will pay a little attention, they will find that what I propose under this amendment is not likely to give any financial embarrassment to the Government. On the other hand, it may even give them more money. According to the proposals of the Government, the minimum weight required for a letter is  $2\frac{1}{2}$  tolas. As I stated last year, that was a later development. Originally the minimum weight for a letter was fixed at only one tola. But foreign correspondences and commercial magnates had to use not only thick paper, but a very voluminous record to be sent through the post. Therefore, when the one tola was raised to  $2\frac{1}{2}$  tolas, it was this class of people who were benefited by that; but the poor people or the general class of correspondents in this country who usually write letters which are ordinarily within one tola . . . .

**An Honourable Member:** Half a tola even!

**Mr. B. Sitaramaraju:** Anyway I am prepared to go up to one tola. If Honourable Members see the amendment which is proposed to be moved hereafter by Mr. Amar Nath Dutt, they will find that he is intending to propose that for a weight not exceeding one tola the postal charge should be only half an anna—that was the old rate at one time, in existence. I would certainly welcome such a thing, but my present proposal is to double the rate now suggested by my Honourable friend, Mr. Amar Nath Dutt. The result of my proposal would be that for the minimum of one tola there should be a reduction from the proposed rate of the Government of only a quarter of an anna. I compensate them, however, by proposing that for every additional tola or fraction thereof it should be half an anna more and that is for thick correspondence which will weigh more than one tola. Thus there is a possibility of the Government getting even more money than they contemplate under their proposals, because the rate would then be  $1\frac{1}{2}$  annas for two-tola weights and 2 annas for  $2\frac{1}{2}$ -tola weights, whereas for the ordinary one tola letter the postal rate would be one anna, that is, only quarter anna less than the Government proposed. Therefore although the Honourable Sir Frank Noyce just now has said that what you gain in the swings, you lose in the roundabouts, I would like to say in this case that what you lose on the swings you will gain certainly on the roundabouts. Therefore, I think if the Government will sympathetically consider the amendment that I have the honour to propose even from the point of view of finance it should be acceptable to the Government.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Mr. President, on a point of order: if the charge on two and a half tolas on letters is calculated according to this amendment, it will be found that the suggestion is for raising the rate more than at present and as such the previous sanction of the Governor General might be necessary.

**Mr. B. Sitaramaraju:** May I just point out that Sir Frederick Whyte's ruling was that if, taken in the aggregate, there is no additional charge and that one balances the other, then it is quite permissible.

**Mr. S. C. Mitra:** That aggregate will be a mere surmise.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Has the Honourable Member anything to say on the point of order?

**The Honourable Sir Frank Noyce:** The only point I would make is that the total result of the Honourable Member's amendment is to reduce taxation. Our figures show that, if his proposal were accepted, we should lose 43 lakhs.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Under these circumstances the amendment will be in order.

Motion moved:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Letters* the following be substituted:

For a weight not exceeding one tola . . . . . One anna.  
For every additional tola or fraction thereof . . . . . Half an anna."

**Sir Thomas Ryan** (Director General of Posts and Telegraphs): Sir, I think that the Honourable Sir Frank Noyce has dealt so comprehensively with the objections to any reduction of postage rates that little that I can say can add anything useful to the debate. But I should like to say just one thing with regard to the suggestion that the minimum weight on which the charge is levied should be reduced. We went into this matter very closely a year or so ago, in connection with the revision of postal rates then under contemplation, and we found from statistics that were specially taken of the distribution of the postal traffic over different ranges of weights that there was an immense preponderance of traffic below the minimum weight that we could reasonably fix, so that practically a change of this type would be very much less significant than it might appear on paper. To reduce the minimum weight from  $2\frac{1}{2}$  tolas to one tola would have a negligible effect upon the distribution of traffic, and such a motion as that of the Honourable Member would practically mean reducing the postage on the great bulk of the letters by half an anna, and, as the Honourable Sir Frank Noyce has explained quite clearly, this would involve a loss on the immense number of letters we have got to handle which we could not possibly face in the existing financial position of the Department.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): It is not a reduction of half an anna; it is a reduction of quarter of an anna.

**Sir Thomas Ryan:** I beg your pardon. It would involve a reduction of the postage from the present rate of  $1\frac{1}{2}$  annas to one anna, but the conclusion I drew is the same.

**Mr. B. Sitaramaraju:** If you take into consideration the fact that you are going to get  $1\frac{1}{2}$  annas for every additional tola.

**Sir Thomas Ryan:** I think the point is met by what I have said that so large an amount of the total correspondence is below the minimum weight proposed that this would not come anywhere near compensating for the loss.

**Mr. President** (The Honourable Mr. K. K. Shanmukham Chetty): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Letters*, the following be substituted:

'For a weight not exceeding one tola . . . . . One anna.  
For every additional tola or fraction thereof . . . . . Half an anna.'

The motion was negatived.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Letters*, the following be substituted:

'For a weight not exceeding one tola . . . . . Half an anna.  
For every tola or fraction thereof, exceeding one tola . . . . . Half an anna.'

Sir, in support of my amendment, I think I will have to go over the same ground which has been trodden here year in and year out, because all our arguments have so far fallen on deaf ears of my friends opposite. We have been asking, since the increase of these postal rates, for their reduction, because these rates affected not the rich, but the millions of our poor countrymen. In these days of speedy locomotion, people of one province go to another province to earn their livelihood, though they hardly get Rs. 10 or Rs. 15 outside their own province. They leave their wife and children at home for several months, and naturally would like to inform their people at home whether they are alive or they have taken to that blessed place of shelter where every one has to go.

**Mr. H. P. Mody** (Bombay Millowners' Association: Indian Commerce): Where there are no postal rates.

**Mr. Amar Nath Dutt**: Yes, there are no postal rates there. Be that as it may, Sir, it hardly requires any argument to convince the House that the use of postcards is a necessity to these poor people. These postcards being small in size and uncovered can be read by any one. A postcard may contain a confidential communication or the date of a particular law suit, and the opponent in the suit, by catching hold of the postal peon, can come to know the contents of the card and prevent its reaching the man addressed whose case may thus go by default. For this reason people are obliged to use envelopes. Twelve years ago, we did not know that we would have to spend four pice for a letter, but suddenly the rates were doubled, and I know the dissatisfaction that was felt throughout the length and breadth of this country when the postal rates were doubled, but Government were adamant.

**Mr. C. C. Biswas**: They cured you of bad habits.

**Mr. Amar Nath Dutt**: I think my friend over there has still that habit of writing letters, but, Sir, I do not write letters save and except when it is absolutely necessary for the protection of my life and property, but young men have other letters to write, and my friend who is about 12 years younger than myself may yet have the need of writing superfluous letters. The President of the Postal Conference which was held recently at Muzaffarpur, the report of which has not as yet reached all Honourable

Members, except perhaps the Honourable Member in charge of the Postal Department observes as follows:

"The postal system, when it was first introduced in an organized and systematic manner by the British Government, was intended not merely to give facility of communication between individuals, but also to bring the people of the country in contact with one another. The postal system can, therefore, be very well called a vehicle for exchange of thoughts, and has been greatly instrumental in the development and growth of national consciousness and ideas."

I don't wish to trouble the House by reading the whole speech, because every Honourable Member will in due time be provided with a copy of the same by the organisers of the Conference, and I think they will find it pleasant reading during their leisure hours. Now, with regard to the argument that has been adduced that it will put the Department to a loss and that this Postal Department is a commercial department, I must say that to a certain extent it is also a public utility department, and, as such, if there be any loss, I think the Government should not grudge it in order to give greater facilities for postal communication between man and man, especially confidential communications which have to be carried on in many cases. We are faced with one argument often. We have always been charged that we always press the same argument for the reduction of rates. And that is this. It was owing to pressure brought forward by some Members on the Opposition Benches that they were obliged to relieve the distress to which postal employees were in those days subject, and that, in order to do so, they had no other alternative but to increase the postal rates. I wish that Government had really acceded to our prayers and also acted according to the pressure exerted from this side of the House. We know how the united pressure brought by the Opposition Benches on the Government received their kindest attention. As my Honourable friend has already remarked, human memory is short and public memory is still shorter. So, I shall remind the House of only what happened eighteen months ago here in this very Hall. When we failed in our attempt to reduce the postal rates, when we failed in our attempt to reduce income-tax, when we could not remit certain duties on machinery, we wanted to bring pressure upon the Government by wholly rejecting the Finance Bill, and it was eighteen months ago. It was not on any political issue as it used to be the case formerly—rejecting the Finance Bill on the principle of refusal of supplies before the grievances were redressed. It was not on that principle that the Finance Bill was asked to be rejected in this House eighteen months ago. It was on economic grounds that the country could hardly afford to pay the income-tax and also the high postage rates which were being introduced. That united pressure from Members on this side of the House failed to create any impression on the Government, but when the Members of the Government come to us and say that it was the pressure that was exerted upon them by some Members on this side, I do not think that we shall be asked to take that statement as correct for there is a limit to human credulity. Do you want us to believe that the pressure exerted by a few of us on this side was so much that the Government had to yield to it while the united pressure of the Opposition you could flout? Or is it that you had some Members who were thinking like you and they were made a cat's-paw of and, in their name, you wanted to impose this heavy taxation upon the poor people of this country? When I say "you", I mean the Government and not certainly you, who was one of us. I submit that the Government's argument is more futile than the argument on our side is characterised to be.



[Mr. Amar Nath Dutt.]

There is one other point. It has been said that all the recommendations of the Retrenchment Committee have been given effect to. I submit that no final report of the Retrenchment Committee was either awaited or asked for. I know the inevitable reply that some of the members of the Committee were asked to let the Government know whether any further sitting was necessary and no reply was received. But a mere perusal of the first instalment of the report will show that the members therein distinctly stated that that was not the final report and that they might have to review their judgment when other materials were placed before them. So, the flimsy argument that they have given effect to the recommendations of the Retrenchment Committee does not hold water for a moment, because we know that the Government grasp at things which are favourable to them and do not pay any heed to things which are favourable to the people. This is one of those instances. Fearing that there might be a review, fearing that there might be other recommendations, no further attempt to have a final meeting of that Retrenchment Committee was made. And my Honourable friend—I do not see him here—my Honourable friend, Mr. Yamin Khan, will bear me out in this.

It has been said that the Department will have to be carried on at a loss if my amendment or any other amendment that is on the agenda paper is carried. As regards that, I beg to submit that if the Honourable Member in charge of the Department will only kindly take into consideration the cost of the various post offices which are situated in strategic places, he will find that much of the profit of this Department goes to swell the cost of the post offices at places like Razmuk and other places.

**Sir Thomas Ryan:** They are paid for by the Departments in whose interests they are kept.

**Mr. Amar Nath Dutt:** They are paid for by the Army Department. Whether an item of expenditure is paid by one Department or another, who pays it ultimately? It is the poor tax-payer of this country. Whether you put the amount under this head or that head, it does not matter to the poor tax-payer. As my Honourable friend over there, the Finance Member, when introducing the Finance Bill eighteen months ago, was pleased to remark, if you take away an expenditure from one head to another, it does not give any relief to the Finance Member. He said the expense was there and somehow or other he has to find money for it. I may say also, on behalf of the poor tax-payers, whether it is paid for by the Army Department or whether it is paid for by any other Department, it is the poor tax-payer who pays for it ultimately. I would urge a reduction of post offices in those places in the North-West Frontiers, where they are hardly necessary even for the safety of the Indian Empire. I can assure the House that if you reduce the postage rates to the figure I have proposed, you will find that the number of letters that are now carried will double, if not treble itself. In that case you may say that there will be a deficit. No doubt, but in order to give relief to the poor people of this country, you ought to accept this amendment of mine unless it be that you accede to our request only when it suits you and do not do so when it does not suit you. I hope that I shall not have to lay that

charge against you, nor the people will have to lay charge against you—namely, that you only, in order to serve your own purposes, make the pressure of a few individuals on this side. . . . .

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhammadan): You must address the Chair.

**Mr. Amar Nath Dutt:** I see my Honourable friend knows more than myself about addressing the Chair. When inadvertently I say "you", certainly I do not mean you, but I mean, through you, the gentlemen on the Treasury Benches. Sir, I think I have said what I need say on this amendment and I hope the Government will see their way to give a trial to my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Letters*, the following be substituted:

'For a weight not exceeding one tola . . . . . Half an anna.  
'For every tola or fraction thereof, exceeding one tola . . . . . Half an anna'."

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): I rise to support the amendment. Some years ago, the postage rate on letters was just half an anna and at that time the post office was making good profit. It was then a paying Department. For instance, an ambitious man in the town of Bombay starts a business. In the beginning, he is very careful about it. He looks to every detail of expenditure and keeps it down, serves his customers very well and is satisfied with small profits. He thrives, and what is the result? He takes bigger premises, pays higher rent, buys more furniture, keeps a bigger establishment and, therefore, his profits dwindle down proportionately. He has to raise his rate of profit, which his customers pay for some time, but they too, one after the other, leave him and ultimately we find such a young man in the Insolvency Court. The same was the condition with the Postal Department. Formerly, the Postal Department was satisfied with little profit. They kept the rates rather low, served the public well and when they found that they were making much profits year after year, their head was turned. The salaries were increased all round. Expenditure piled up. What did they do? Instead of cutting down the expenditure, they began to charge higher and higher rates. They are in the possession of a monopoly and, therefore, they need not fear any competition from outside. But if Government would allow fair competition, they would find that a commercial agency may rise, which will be able to do the business at half the cost. But Government are enjoying a monopoly, they do what they like to tide over the difficulty. Instead of thinking of cutting down expenditure, they have been raising the postage rates from half an anna to three quarters of an anna, and then to one anna and then to an anna and a quarter and I do not know whether 12 months hence, at the next Budget, they will not bring in a proposal for enhancing it to one anna and a half. The Member in charge of the Department did not think of any further retrenchment. They think that they have touched the rock bottom of expenditure and they only say that in order to make both ends meet, the Postal Department, being a commercial department, should pay its way. Therefore, the only recourse they have is to raise the postage



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There is one other point. It has been said that all the recommendations of the Retrenchment Committee have been given effect to. I submit that no final report of the Retrenchment Committee was either awaited or asked for. I know the inevitable reply that some of the members of the Committee were asked to let the Government know whether any further sitting was necessary and no reply was received. But a mere perusal of the first instalment of the report will show that the members therein distinctly stated that that was not the final report and that they might have to review their judgment when other materials were placed before them. So, the flimsy argument that they have given effect to the recommendations of the Retrenchment Committee does not hold water for a moment, because we know that the Government grasp at things which are favourable to them and do not pay any heed to things which are favourable to the people. This is one of those instances. Fearing that there might be a review, fearing that there might be other recommendations, no further attempt to have a final meeting of that Retrenchment Committee was made. And my Honourable friend—I do not see him here—my Honourable friend, Mr. Yamin Khan, will bear me out in this.

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charge against you, nor the people will have to lay charge against you—namely, that you only, in order to serve your own purposes, make the pressure of a few individuals on this side. . . .

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhamadan): You must address the Chair.

**Mr. Amar Nath Dutt:** I see my Honourable friend knows more than myself about addressing the Chair. When inadvertently I say "you", certainly I do not mean you, but I mean, through you, the gentlemen on the Treasury Benches. Sir, I think I have said what I need say on this amendment and I hope the Government will see their way to give a trial to my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Letters*, the following be substituted:

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| For a weight not exceeding one tola . . . . .                    | Half an anna.  |
| For every tola or fraction thereof, exceeding one tola . . . . . | Half an anna." |

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[Mr. B. V. Jadhav.]

rates and thus to tax their customers more and more. The result is that fewer and fewer letters are written and their income on the whole is not satisfactory.

My friend, the Honourable Member in charge of Industries and Labour, says that if such an amendment is accepted, the loss will be 42 or 62 lakhs or something like that. There will be loss for sometime, but then more and more letters will be written and gradually, within a year or so, the loss will be made up. On behalf of the poor man, the Department should be prepared to suffer some loss for some time and, at the same time, if they take care to reduce expenditure, especially in salaries, then I do not think that the Department will be working at a loss. The Director General has admitted that the majority of letters written are not heavy letters. Although the limit of three tolas is there, that limit is reached in very few cases. They are negligible and, therefore, the poor man is taxed the most. I heartily support the amendment.

**The Honourable Sir Frank Noyce:** I am sorry that the Honourable Member, who has just spoken, was not in the House when I dealt with the points he has raised in his speech at some length. I have very little to add to what I then said, but I should like to say that it is really very disheartening to find an Honourable Member, after the information which has been placed before him, stating that the Department has done nothing whatever in the way of retrenchment of expenditure. There is, I am certain, no Department of the Government of India which has retrenched as drastically as the Posts and Telegraphs Department. At the end of the last week, we placed before this House a memorandum showing exactly what had been done in that direction. As the Honourable Member evidently has not read that memorandum, I may be pardoned for reading an extract from it to the House:

"The statement shows that it is now anticipated that the savings to be secured by complying with the specific recommendations of the Sub-Committee during the year 1932-33 will amount to approximately Rs. 46½ lakhs and that this saving will increase to approximately Rs. 59½ lakhs during the year 1933-34. Further economies are expected to result from the adoption of these measures in subsequent years and the total ultimate saving will be considerably in excess of that anticipated by the Sub-Committee as likely to result from the adoption of their recommendations."

The statement shows that we estimate as the result of retrenchment in the personnel of the Posts and Telegraphs Department likely to be effected up to the end of 1932-33 immediate savings of 6 lakhs and 27 thousand per mensem or 75 lakhs a year. I, therefore, most emphatically repudiate the suggestion that we are doing nothing in the way of retrenchment and that brings me to the point raised by my friend, Mr. Amar Nath Dutt, who seemed to think that we had something to fear, because we did not ask the Sub-Committee on retrenchment in the Postal and Telegraphs Department to meet again and submit a final report. I may say that we took that course with the full concurrence of Sir Cowasji Jehangir himself. On the facts placed before him, he was satisfied that we were doing everything possible. I think the figures I have just given to the House show what we have done. We communicated our view to every member of the Committee and we received no protest from any of them. So I have nothing to fear whatsoever. I have no fear whatever of a further enquiry by any Retrenchment Committee into the work that we have done in the Posts and Telegraphs

Department. But the only new suggestion forthcoming in my Honourable friend, Mr. Amar Nath Dutt's speech was that as far as I could gather we should reduce our expenditure by abolishing post offices in out-of-the-way places. (A Voice: "No no.") Sir, as regards the posts and telegraphs in certain places, the fact is that their cost is charged to the Funds of the Political Department or of the Army Department and this means that it is not paid for by the Posts and Telegraphs Department and, therefore, does not affect the postal rates, but as regards the general proposition of abolishing post offices in out-of-the-way places, I take it that no Honourable Member in this House seriously considers that a man should be deprived of communication with his fellow-creatures, because he happens to live at some distance from a big place.

**Mr. Amar Nath Dutt:** I did not say that post offices should be abolished everywhere, but only in the N.-W. F. Province.

**The Honourable Sir Frank Noyce:** Then I notice my Honourable friend quoted a speech of Mr. Gaya Prasad Singh which he recently delivered at the 13th Session of the All-India Postal and R. M. S. Conference held at Muzaffarpur on the 19th or 20th March last in support of his thesis that we ought to reduce the postal rates. My Honourable friend was addressing a meeting of Postal and R. M. S. employees and I have not yet had time to study his speech with the care which I propose to devote to it, but I think I may take it as certain that he did not suggest in the course of that speech that Government at the same time as they were going back to pre-war rates of postage should return to the pre-war rates of salary. I venture to think, Sir, that we cannot have it both ways. We cannot combine the *present* scale of salaries with the *old* scale of postal rates. Therefore, I regret I must oppose this amendment. As the two amendments which I have previously opposed would have cost far less than this, the strength of my argument against this is, therefore, proportionately larger. Sir, if we were to accept this amendment, it would cost us 131 lakhs, and that is allowing for an increase of 20 per cent. in the case of paid letters and of ten per cent. in the case of unpaid letters. My Honourable friend, Mr. Jadhav, holds that if we were to reduce the charges to pre-war rates, the increase in letters posted would be phenomenal and that we should get three or four times as many letters posted as are posted now. Sir, I can assure him that that is not the case and that the increase would be very slow. What we have to consider here and now is the present financial position. An increase of revenue in three or four years time, due to a change in the rates now, might be anticipated, but that does not help us to cover our present deficit. Sir, I oppose the amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Letters*, the following be substituted:

|                                                        |                |
|--------------------------------------------------------|----------------|
| For a weight not exceeding one tola                    | Half an anna.  |
| For every tola or fraction thereof, exceeding one tola | Half an anna." |

The motion was negatived.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the entries under the head *Letters*, for the words 'One anna and three pies' the words 'Nine pies' be substituted."

Sir, I hope that this amendment may be acceptable, though I fear it will involve some amount of loss to the Department. I hope that, considering that this is a public utility department, the Government will not grudge reducing the rates on the letters at least. Of course my former amendment for reducing the rate to half an anna has been negatived by the House, and, even with the help of my friend, the President of the Postal Conference here, I could not succeed in the matter, but I hope that here in this amendment I will have his support as also the support of my Honourable friend who presided over the Postal Retrenchment Committee. Sir, twelve years ago, the rates were increased by 100 per cent. Sir, that is a feat which is only possible in a Department where the voiceless millions are chiefly concerned. That is a feat which will be submitted to only by people who do not know how to press their claims; that is a feat which does not require a superman to accomplish. I know it will entail some loss of money, though I cannot tell the exact amount. Whatever it may be, I think we must not take advantage of the voiceless millions who cannot have their grievances ventilated, who have not got presidents who would thank departmental heads in their addresses, and who have not the same access to Honourable Members on the other side; but, Sir, if the representatives of the people knew their duties and performed their duties as they ought to—I do not mean the representatives merely of the constituencies which you represent—if they were mindful of their own duties and obligations towards the public, I think they would have certainly asked for the redress of their grievances, and which I know the Honourable Member in charge would have granted if his hands were not tied by certain other factors over which he has no control. But I think he will admit that this is a relief which is claimed on behalf of the poor and dumb millions, and, on behalf of them, I ask that if the wholesale increase of 100 per cent.—and now at the present moment it amounts to an increase of 150 per cent.—cannot be remitted, at any rate relief to the extent of 100 per cent. should be given.

As everyone in this House knows, 12 years ago, the postage rate for letters was only half an anna. Then it was raised to one anna, and that represents an increase of 100 per cent. Sir, I am not aware of any other item of taxation anywhere else in this world where the taxation is increased by this stupendous percentage. There is of course always a protest from our side as also from the side of the gentlemen occupying those Benches when income-tax is increased, say, by 20 or 25 per cent, but, Sir, at one stroke of the pen this taxation of the poor people was increased at first by 100 per cent. and then again by 150 per cent. What I now ask is that you should take away that 100 per cent. and we shall place ourselves at your mercy and accept an increase of 50 per cent. That is what my amendment is. My amendment is for 9 pies instead of 8 pies. That would mean 50 per cent. Sir, I know figures can be manipulated to support any theory you may choose, especially if you are an expert in figures and your opponent has neither the advantage of looking at figures nor the aptitude which the members on the other side have acquired by years of training. This is especially the case with the members of the Bar who have hardly to deal with figures. That being the case, let us

not in this House be troubled by figures and statistics. I would wipe off all figures and all statistics. Let everyone of us live comfortably and let Sir George Schuster be happy, so that he will not have to rack his brains to provide with funds his colleagues, Sir Frank Noyce and Sir Joseph Bhore. It is only my Honourable friend from Bengal who adorns those Benches who does not require much money, but the other gentlemen do. From that standard, as a Bengali, I think, Sir George Schuster will appreciate that we do not want much, and when I ask you to wipe off the statistics and the figures, I ask you to be a member of a joint family where you get the money and entrust every one of your members with particular sums. Let it be left to Sir George Schuster who, I am sure, will be fair in distribution and will carry on the expenditure of your House in that way like a joint family. If you do that, you can give relief to the poor millions from whom you get this tax and who have no means of protesting and letting you know their grievances. I once more repeat and once more urge upon you to see whether or not it is possible to reduce the postal rates to the extent to which I have asked you. If not, I hope you will accept the other amendment which follows this. With these words, I move my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the entries under the head *Letters*, for the words 'One anna and three pies' the words 'Nine pies' be substituted."

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Sir Cowasji Jehangir:** Sir, it is well known that the Posts and Telegraphs Department is a commercial department, and Government have given an assurance that that Department shall never be allowed to make a profit. Unfortunately they cannot give an assurance that it will never make a loss. We know that for the last few years this commercial department has been making a loss. There are two ways, and only two ways that I know of, to remedy that state of affairs. One is to increase the revenue and the other is to decrease the expenditure. With regard to the latter method, Government appointed a Retrenchment Committee of which my Honourable friend, the Mover of this motion, was a member. The report was issued some time ago and has been in the hands of Honourable Members, has been considered by Government, and Government have already come to decisions on that report. The Honourable Member in charge has informed the House of the results. So far as I remember, all the recommendations of that Committee were accepted and the retrenchment effected was somewhere about 40 lakhs of rupees.

**The Honourable Sir Frank Noyce:** Sir, I do not wish to take undue credit, and I would not go further than to say that nearly all the recommendations were accepted. Our departures from the recommendations were not at all extensive, but I should not like the House to carry away a wrong impression about it.

**Sir Cowasji Jehangir:** Yes; most of the recommendations were accepted and the retrenchment effected was in the neighbourhood of about 40 lakhs of rupees. Now, Sir, I believe that my Honourable friend expressed some doubts as to whether that work could not be carried further. I will come to that point in a minute. If my Honourable friend and all other Honourable Members accept the position that this Department should be a commercial department, they will have to show that their proposals, by lowering the rates, will increase the revenue. I do not think my Honourable friend, Mr. Amar Nath Dutt, even made an attempt to show that the revenues would increase by lowering the rates. Therefore, his only other argument could be that retrenchment was not carried far enough and that any further loss that might be inflicted on the revenues by his proposals should be made good by retrenchment. That could be his only argument and I believe,—I am sorry I was not in the House,—I believe he is supposed to have said that retrenchment could have gone further or that the Committee's work was cut short.

Now, the facts of the case are, so far as I remember, that a certain branch of the Department was not investigated by the Retrenchment Committee. It was not an easy matter, and Government proposed appointing an expert committee with a very able officer as Chairman. That officer had been the Secretary of the Retrenchment Committee, Mr. Varma. I personally thought that retrenchment in that particular branch of the Department could be much more effectively carried out by a small special committee of experts with this very able officer as Chairman than by the Retrenchment Committee itself; therefore, I agreed with the suggestion that the work of the Retrenchment Committee should stop at this stage, that it had done all that it possibly could do and that for further retrenchment Government should look to this expert committee for advice. Sir, my point of view was not actuated from any sense of laziness or desire to do no further work, but to carry out really the retrenchment which Government were so anxious to get. Continuing the work of the committee would have cost Government some money and the rough calculation that I could make was that even to carry on for the next few days would cost Government four or five thousand rupees; so, I did not think it worthwhile that Government should spend that four or five thousand rupees for the information which they would get for that particular branch of the Department. That is why I was ready to fall in with the views expressed by the Honourable Member that the Committee should finish their work at that stage. But I was given the assurance that this expert committee would be appointed with Mr. Varma as Chairman and that the suggestions of that committee would receive the serious consideration of Government. I am afraid I cannot say just now whether the Committee has reported. Most probably it has; I know it was touring India.

**Sir Thomas Ryan:** The report has been received and is being printed.

**Sir Cowasji Jehangir:** The report is being printed and I presume, in due course, will be considered by Government, and I trust will result in further retrenchment. Under the circumstances, Sir, so far as retrenchment is concerned, I do not think that this House can go any further or urge Government to go any further unless they are prepared to drastically cut down salaries. I would, however, bring a very important point to the attention of this Honourable House that when we talk of salaries

in a big department like the Posts and Telegraphs, we must remember that the major portion of the pay bill goes to the poorest classes of the employees. I am speaking from memory, but I believe the pay bill comes to something like seven crores, from which the officers get about 35 or 40 lakhs (*An Honourable Member:* "51 lakhs.") Yes, 51 lakhs, and the rest goes to the poorer employees. Therefore, whatever cut you effect, if it is to be any substantial amount, it must come from the poorer employees. The Committee did go into the question of salaries and have reported, but I must admit that I always felt that specially in a department of this sort, when you talked of retrenching salaries, you got very little from the men who get fat salaries. And if you cut their salaries in the same proportion right through, you would get an amount not worth having from men drawing fairly good salaries, but the biggest amount would come out of the pockets of the poorer employees. That is also the case with all big Departments, and may I point out that there are certain classes of employees in the Postal Department, whose services were brought to our attention—the very poorest, to whom any cut would be a true hardship,—who not only discharge their duties to Government and the public, but in such discharge run considerable risk to life and limb. Under these circumstances, Mr. President, I do not personally think that the Department could have gone any further than they did and, therefore, to propose a further loss to the Department at this stage by way of reduction of rates would not be a legitimate proposal to place before this Honourable House. Everybody is making a loss today and the only thing is to smile and bear the loss of the Post and Telegraph Department until these depressed times end and when better times come, let us hope the Government will be able to give relief to those millions who patronise this great public utility department of Government.

**Sir Thomas Ryan:** Sir, there are just a few words I should like to be allowed to say with reference to the observations made by my Honourable friend, Sir Cowasji Jehangir. He has explained very clearly that the Postal Department cannot be charged with having neglected retrenchment—a point which was also made in another way by my Honourable friend, the Member for Industries and Labour. The statement, which the Members of the Assembly have had before them, shows that very clearly. It is true, as Sir Cowasji Jehangir has said, that the Committee presided over by Mr. Varma has just reported. This report is very voluminous and I think will be found to be very far reaching with regard to the organization, more particularly of the traffic branch of the Department. It may be said that the Committee has not touched the engineering branch, with which the Jehangir Committee also did not deal in detail, but the Jehangir Committee's report furnished a list of points which they considered required further investigation, and I wish to tell the House that these points have been, or in some cases still are being, investigated; and in regard particularly to the telegraph engineering branch, which some Honourable Members opposite think has been immune from retrenchment, we have carried out retrenchment on a scale comparable with that of the other branches of the Department. It is certain that there is no head of expenditure in the Posts and Telegraphs Department which has not received or is not receiving the closest attention, with a view to the cutting down of the expenditure to the utmost possible limit. That is the one point I particularly wanted to deal with in connection with what Sir Cowasji Jehangir has said. I should like, before I sit down, to thank

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[Sir Thomas Ryan.]  
him for his appreciation of the work done by the lower paid members of the Department who, I think, fully deserve everything that he said in their favour.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, I intervene in this debate simply to make one point and it is this that as far as the organisation of the Postal Department is concerned, I think it is working very economically and it is not a losing concern. The real thing is to see whether we are losing on experiments that we are making in connection with the wireless telegraphy and wireless telephony and radio, and also in connection with the installation of new apparatus of this Department. I do not think it is right to ask the poor people to pay for the new experiments and to pay for the luxuries of the rich. If these two Departments are entirely separated—I have not got the figures with me, but I am merely speaking from general impressions—I think the Postal Department could be made a paying concern if these white elephants are taken away from it.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the entries under the head *Letters*, for the words 'One anna and three pies' the words 'Nine pies' be substituted."

The motion was negatived.

**Mr. S. C. Mitra**: Sir, I move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the entries under the head *Letters*, for the words 'One anna and three pies' the words 'One anna' be substituted."

My suggestion is only to lower the price of envelopes from five pice to four pice and I would not have moved it had I known that it will in any way decrease the postal revenue. My impression is that, if the price is lowered, there will be larger sale of these envelopes and the Postal Department will gain. My friend, Mr. Reddi, in his elaborate speech has quoted figures to show that, even during the worst times of the depression, the income was generally between 7 crores and 50 lakhs of rupees and it was, after when the rates were raised, that the revenue of the Department has gone down by about 20 lakhs. Sir, I do not agree with my Honourable friend, Sir Cowasji Jehangir, that Post Office is a commercial department. I do not think that Government even have gone so far as to admit that. If I understood them correctly, they said that the accounts of the Department are kept commercially. It is the largest public utility Department under the Government. That does not necessarily mean that it must pay its own way. Of course there is no reason why the Department should not try to pay its own expense. In this connection, about the Department getting more revenue, I would like merely to read from the very able speech delivered by my friend, Mr. Gaya Prasad Singh, as President of the All-India (including Burma) Postal and Railway Mail Service Bihar and Orissa Provincial Conference held at Muzaffarpur on the 19th March, 1933. He says:

"The proverbially cheap cost at which the communications were formerly carried on as the history of the system would show greatly satisfied the people, and it not only removed a long felt want of the public, but was greatly responsible for the popularity of this system. The original half-anna postage for ordinary letters were supplemented by the pice post card, and, towards the end of the last century, there was also a talk of reducing the price of post card even to half a pice, and about 50 years ago....."

Then he goes on developing the history. He then says:

"Thus for more than 80 years, the country enjoyed the benefits of the system, but, as ill luck would have it, what took 70 years to build up has been considerably destroyed by the short-sighted policy of the Government within the last ten years. The year 1922 witnessed a great hardship cast upon the people, when all on a sudden the rate of postage for letters including postcards was doubled. Not content with this, the Government went on increasing the rates of postage as also for postal articles so much so that it has now been trebled, with the result that the volume of correspondence has decreased and consumption of postcards and envelopes has considerably gone down; and it is noteworthy that even important and long communications are stuffed in the limited space of the postcard which would otherwise have not been possible in the days of cheaper postage, when men would ordinarily not mind sending them in embossed or post paid covers."

Mr. Gaya Prasad Singh concludes this portion of his speech by saying:

"Gentlemen, when the idea for enhancement was at first introduced in the Assembly, it was vehemently opposed, but unfortunately the proposal was carried in the teeth of opposition, but I am sure the figures must now have convinced the Government of their mistake, and I trust that Government will soon find their way to revise and consider the rates as early as possible."

Sir, I hope with my friend, Mr. Gaya Prasad Singh, that Government will accept this motion and revise their opinion about the rates.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the entries under the head *Letters*, for the words 'One anna and three pies' the words 'One anna' be substituted."

**Pandit Satyendra Nath Sen** (Presidency Division: Non-Muhammadan Rural): Sir, I rise to support the amendment. There has not been a single speech in this House on the Finance Bill that has not complained of the high rates of postage. The rates were first increased in 1922, and they have been on the increase since then from time to time. That this is a universal complaint is clear from the fact that clause 4 relating to postal rates has brought forth a very large number of amendments. Of all these amendments, I think this is the least objectionable from the Government's point of view, because, if there will be any loss, it will be almost negligible. That this amendment is most reasonable is evidenced from the fact that there have been full one dozen amendments to the same effect. The rates are increased in order to increase the revenue; but has this expectation of Government been fully realised? I think not.

From a statement made by them in the Explanatory Memorandum that has been supplied to us, they confess that there has been a very heavy loss in the sale of postage stamps; and from the figures quoted by my Honourable friend, Mr. Reddi, we have clearly seen that the increased rates are responsible for the loss of revenue in this Department. He has shown it clearly that there was a steady increase in the income from the year 1926-27 till the year 1932-1933 when the rates were increased to the present figures, and there was an abrupt fall in the revenue. During past years, the average income was something like 750 lakhs and, in 1932-33, it has come down to 720 lakhs. So it is clearly seen that the object of increasing the rates has been defeated. It does not fetch increased revenue to the Government. The policy of Government regarding the Postal Department is a chequered one.



[Pandit Satyendra Nath Sen.]

Sometimes they hold that this Department is to be held as an engine of education; subsequently they have changed their policy and they have come to regard it as a commercial department, although they admit, in the same breath, that it is a public utility department. If it is to be regarded as a public utility department, as has been admitted by successive Honourable Members in charge of the Industries and Labour Department, including my Honourable friend, Sir Joseph Bhole, then, I think, the Government should not grudge even if there is a little loss in this Department. To say in the same breath that it is a public utility department, and that it should pay its own way is almost a contradiction in terms. If it is to be regarded as a public utility department, it must be given some preferential treatment. Otherwise, what is the use of calling it a public utility department? The calculation of Government, that there will be some loss, even if this amendment is accepted, is based on a mere surmise. We have made out a very strong case, and I think this suggestion may be given a trial. Even if there is a loss, I think that loss can be made good by the positive surplus which is there in the general Budget this year; and I think in view of the fact that we have been repeating our protest year after year, it is now up to Government that they should see their way to accede to our request.

**Mr. Nabakumar Sing Dudhuria** (Calcutta Suburbs: Non-Muhammadan Urban): Sir, I beg to support the amendment in all sincerity, as I have always felt on this subject of the increase in postage rates. The latest increase of the postage rate on letters was felt a great hardship even at the time it was brought about. This increase affected rich and poor alike, and at a time when both were entirely reluctant to bear it on account of the peculiar financial situation in which they were placed. In these days of expanding civilization and growth of knowledge, communication by post between people living at a distance has become an inevitable necessity.

In this country, where, on account of their poverty, the people cannot increase their bounds of information and knowledge, any tax on private correspondence should be quite light and easy. But the ends of revenue have all along ordained otherwise with our Government. We are aware of the great opposition that was presented when the couple of pice postage on letters was doubled for getting a revenue on a declared emergency. Sir, we have also, on the authority of Sir Geoffrey Clarke, one of the Directors-General of Posts and Telegraphs of recent times, that the Postal Commission of 1850 laid down, amongst other things, that postal reforms should always be carried out on the principle of giving the utmost benefit to the people of India from cheap rates of postage, and it should never be made a source of Indian revenue. But, contrary to the recommendations of that Commission, for the last four years our Government have raised the ordinary postal rates all round in order to derive sufficient revenues therefrom to run their telegraph, telephone and radio services. But I may tell them that our poor do not need cheap telegraph, cheap telephone or cheap radio services, not even cheap book-post, but what they really need is cheap postage. It will not be out of place to mention here that so far back as 1866, Mr. Massey, the then Finance Member, stated that the post office was so potent an engine of civilisation that no Government could

be justified in allowing revenue considerations to stand in the way of any improvement in the postal communications. I beg also to add that it is an accepted principle everywhere in all civilized countries not to tax communications hindering its growth and expansion. Again, not very far back, but in the year 1921, the then Member in charge of Posts and Telegraphs, the Honourable Sir Charles Innes, stated, to quote his own words:

"Nobody certainly in the Commerce Department wishes in any way to tax communications."

I need not conceal that the increased rate has been naturally unpopular from the beginning. Sir, in their extreme inability to pay the high rate for the sake of their miserable financial plight, people have resorted to various devices to avoid sending their post through the post office and thus save cost on postage altogether. If we want to see that these popular devices to cheat post office revenue should go, we should adopt such steps as will offer them no more inducement to resort to such devices. Cheapness is the only remedy. It is time, therefore, to take off the one pice increase at least on letters and restore the former rate of one anna in order to bring back good feelings between the public and the Government. With these words, Sir, I beg to support the amendment.

**Mr. Muhammad Anwar-ul-Azim** (Chittagong Division: Muhammadan Rural): Mr. President, it is not my purpose to offer any scathing criticism of the Department over which my Honourable friend, Sir Thomas Ryan, presides, but just to say a few words in reply to what has cropped up in the course of the debate.

I had the privilege to listen to various speeches this morning in the course of which a good many figures were quoted. One thing that strikes me most is this. I am afraid my friends have not taken very seriously what my friend, Dr. Ziauddin Ahmad, said with regard to the technical innovations that are being introduced every year on the telegraph side. That is certainly a very costly affair for a poor country like ours. If we go on experimenting every year in technical matters, we know that we cannot supply a large number of skilled workers, as such I think that the policy which is followed by Government in this matter is not a very wise one.

Honourable Members will no doubt have observed in the papers that there is also a proposal now to link this country by telephone with England. Perhaps, that is an imperial necessity, but if the Government of India had not followed the ostrich like policy, they would not have found themselves in this quandary. My Honourable friend, Sir Cowasji Jehangir, said that he and his Committee have suggested certain remedies by retrenchment and he has rightly pointed out that the administration at the top is a very heavy one, and, therefore, Government in their wisdom will be well advised to take a few slices off the fat salaries paid at the top. Personally, I am strongly of the opinion that the lower paid staff of the postal and telegraph side should not be touched and, if Government felt that in the general re-organization and re-adjustment of things it would be necessary to overhaul the whole department, that can be done without detriment to these people. It is very difficult for a layman like myself.



[Mr. Muhammad Anwar-ul-Azim.]

not having the figures at my disposal, to suggest practical remedies as to how far any retrenchment in the postal and telegraph side would bring in any savings, but even on a casual perusal of the papers supplied to Honourable Members here along with the Budget papers, *plus* the Report of the Ryan Committee and Sir Cowasji Jehangir's Committee they are sufficient to show that there is certainly considerable room by which the revenue position of this Department can be improved. Sitting here in the Imperial City of Delhi or in the good climate of Simla, it is not always possible to keep strict control over the administration of such a vast Department which is spread over such a vast area. What I feel is this, that at places in this big conduit pipe the income of the Department is oozing out, and, if it were properly attended to, I feel sure, that would bring in some revenue to Government coffers. I have certain facts in my possession, but I should rather not let them have here. That will disclose where the Department is at fault. If the Department had been a little more vigilant with regard to the reports of the Accountant General who checks their accounts, if the Department had exercised a little stricter supervision in regard to money matters and losses, etc., incurred on account of dacoities, etc., the position of the Government would not have been such a hopeless one in that side.

Certain Honourable Members criticised the policy of the Department as a whole, but I think that since the Department was brought under the directorate some years ago and since it has been tucked in with the Telegraph Department, I feel that the revenues of this Department are coming down every year. The Director General of Posts and Telegraphs was pleased to mention that they had not touched the telegraphs administration. He was of opinion that the engineering side was so thinly manned that there was hardly any scope to apply the knife; but my own impression is that the telegraph administration is like a spoilt child, and, unless timely notice is taken in regard to this Department, with regard to increasing the combined offices, the desired result cannot be achieved within any measurable distance of time.

**Mr. T. N. Ramakrishna Reddi:** Sir, I support this amendment not on any sentimental grounds of these high rates being a burden on the poor tax-payer, but on more solid and substantial grounds. When the Government raised the postal rates in 1931, they did not take this action to replenish the depleted revenues of the post office, but to make the revenues cover the ever-growing expenditure which was growing year by year. They expected that by raising the rates they would get additional revenue, and, as a matter of fact, the Honourable the Commerce Member has given an arithmetical calculation of the gains he expected by raising the rates. Now, Sir, a year and half's trial has been given to the new rates and we find that, even after these enhanced rates have come into operation, the revenues have not only not come up to the revenues which we were getting previously, but they have actually gone down,—they have gone down by 80 to 40 lakhs. I think the Government will admit that the year 1930-31 was the worst year possible. We are now in a better economical position than we were in 1930-31 and 1931-32.

Now, Sir, take the revenues for the year 1929-30. They were 7,89 lakhs. In 1930-31, the income from the post office was 7,50 lakhs. In 1931-32, the increased rates came into operation from October, and even then the revenue was 7,41 lakhs. I attribute this diminution by ten lakhs to the fact that the higher rates acted as a check to the free flow of letters through the post office during the latter part of the year. Thus we see that ever since these higher rates came into operation, the revenues of the post offices have been declining year by year. Now, this amendment wants only to restore the position which existed before the higher rates were levied. And when once they restore the position *status quo ante*, they are bound to realise as we realised in the worst year possible, about Rs. 7½ crores. If we realise that amount, the Budget will be balanced, because, thanks to the Government, they have reduced the expenditure side considerably. It is not as much as it was before the Retrenchment Committee met. The expenses have been reduced and if we go back to the position of rates, as they existed in 1930, there is no reason why we should not get as much revenue as we got in 1930, and if that be so, there will be no necessity to continue this additional imposition. You have tried for the last eighteen months with the additional rates, and you have not realised the amount which you had expected. On the other hand it has gone down. This amendment only seeks to restore the position of 1930 and there is no reason, now that the economic outlook is brighter today, why we should not realise as much revenue as we realised in 1930. With these few words, I support this amendment.

**The Honourable Sir Frank Noyce:** Sir, this question has been discussed from so many points of view in the course of the debate today that I find it very difficult to find a fresh way of saying what I have already said. I would say, at the outset, that I entirely agree with my Honourable friend, Mr. Mitra, that this is much the least objectionable of the amendments that have been put forward in the course of today's discussion, and as I have already said, if conditions had been normal or if we saw any reason to believe that, in the near future, there would be an approach to normal conditions, we should have been very glad to accept it. But unfortunately the period of depression is not yet over, and until it is over and we can see quite clearly in front of us, we are not justified in accepting even this amendment which would cost on our estimate at least Rs. 41 lakhs, and if we combined it, as we should have to do, with a reduction of charges on postcards, the total bill would come nearly to a crore of rupees.

My Honourable friend, Mr. Ramakrishna Reddi, in spite of what I said this morning, still maintains that, if we were to reduce the rates at this moment we should immediately get back to the old position of what he thought was a balanced Budget. I would venture to remind the House of the conditions under which we imposed these enhanced charges. Our revenue was steadily going down. We were faced with a very large deficit and we had to do something to bridge the gap. So we adopted this expedient. What reason have we to believe that the conditions today are so much better than they were in 1931 so far as the Posts and Telegraphs Department is concerned, that a reduction in rates would be immediately followed by such a large increase in traffic that we could safely carry it

[Sir Frank Noyce.]

through? Mr. Ramakrishna Reddi maintains that we have done nothing to arrest the decline. He says that this measure has brought in no increased revenue. That is not the case, as I said this morning. I gave the only comparable figures we have, namely, for the first eight months of the financial year 1931-32—April to November, 1931-32, and April to November, 1932-33. Our total postal receipts from April to November 1931-32 were Rs. 451 lakhs, and, in the corresponding year of 1932-33, they were Rs. 470 lakhs, that is, an increase of 19 lakhs. That increase is solely attributable to the increased rates. As I have said, and I would emphasise it once again, our receipts were steadily falling and the only way to prevent that fall was by enhancing our rates. We have enhanced our rates. We have got increased revenue and the decline would not have been arrested but for the enhanced rates.

There are one or two other points which have been raised in the course of this discussion. We have been charged with subsidising the telegraph side at the expense of the postal side. I can assure Honourable Members that that is not the case. The accounts of the Postal and Telegraphs sides of the Department are kept absolutely distinct and there is no question whatever of using postal receipts for the purpose. Dr. Ziauddin ascribed to us of paying for expensive experiments on telegraphs. I do not think . .

**Dr. Ziauddin Ahmad:** And wireless.

**The Honourable Sir Frank Noyce:** I will refer to wireless in a moment. We certainly cannot be accused of any expensive experiments on telegraphs. We do our best to give the public of India as cheap and efficient a telegraph service as we can. I think my Honourable friends from the commercial community would object if we did not do so.

**Dr. Ziauddin Ahmad:** Let them pay for it, and not the poor people.

**The Honourable Sir Frank Noyce:** The postal side does not pay for it any way. As regards the telephone system, the Honourable Member is completely under a misapprehension. The telephone system is the one branch of the Department to which we can look with the greatest satisfaction. It does pay its way, and that the improvements that we are effecting in it are greatly appreciated is shown by the rapid expansion of the receipts from trunk telephone calls. As regards wireless, there, again, Honourable Members are also completely under a misapprehension. The wireless branch costs us practically nothing. The Indian Radio Telegraph Company—one can hardly call it a private company, because it has Government directors, is a company and, except to the extent of its arrangements with Government and the presence of Government directors on its board, it is independent of the Government. The telephone system to England which my Honourable friend, Mr. Anwar-ul-Azim, appeared to think was going to impose an additional burden on the long suffering poor of India will cost the Government of India nothing.

**Sir Cowasji Jehangir:** May I ask a question? There are Government wireless stations, and so far as my memory goes, the Committee recommended that certain of them should be closed down. I do not think the Government have accepted all the recommendations of the Committee in

that direction. It was stated that they were required for other purposes than those of the Department, and, if I mistake not, the Committee recommended that the other Departments should be made to pay. Has that been done?

**The Honourable Sir Frank Noyce:** With your permission, Sir, I will ask my Honourable friend, the Director General of Posts and Telegraphs, to reply to that point when I have finished.

The only thing I would say in conclusion is, if I understood him aright, my Honourable friend, Mr. Mitra, expressed the hope that Government would restore the old rates as soon as possible. With that point of view, as I said this morning, I am entirely in sympathy. I would again repeat the assurance I then gave, that the Honourable the Finance Member and I are agreed that the revision of the rates must be the first charge on any surplus that the Posts and Telegraphs Department gets. That it may be soon in possession of a surplus is my devout hope.

I do not propose to go into the distinctions which Honourable Members have raised between public utility and commercial departments. I do not think they really have much bearing on the present discussion. The accounts of the Posts and Telegraphs Department are maintained on commercial lines. We regard it as a public utility department. A public utility department, as I understand it, is a department which is expected to pay its own way. I do not think Honourable Members opposite would deny that electricity, gas and water companies should pay their way and they can only pay their way by charging a proper price for the facilities they provide. We expect no more than that from the Posts and Telegraphs Department.

**Sir Thomas Ryan:** Sir Cowasji Jehangir has rightly drawn attention to the fact that there is a certain amount of unprofitable expenditure on wireless in India. There are a number of wireless stations—coast stations, which cannot in the nature of things be remunerative—and there are a certain number of inland stations in various parts of India which were set up some years ago as a measure of internal security. A separate account is kept of all the wireless activities of the Department and, in so far as those activities are directly attributable to the commercial business of the Department or others, the radio accounts are credited with the amount. If the Honourable Member will look at the detailed statement in support of our Demands for Grants, he will find on page 4 a separate account under Radios and he will see a credit item of about five lakhs which is the sum of money spent under that head which it is thought can be fairly attributed to the Telegraph Branch which is accordingly debited to that head. There remains a balance under the head of Radio which is definitely regarded as uncommercial expenditure and which results in a loss of five lakhs of rupees in the Budget estimate for next year. That is an uncommercial activity of the Department and is definitely recognised as such by Government. It is for that reason that it is shown separately in the accounts. The Government have accepted in part only—it was a partial exception to their general acceptance of the Retrenchment Sub-Committee's recommendations—the recommendation for closing down some of the existing inland wireless stations. The others they have felt obliged to maintain for the same reasons for which they were originally set up, but the expenditure on this account is shown separately and is not mixed up with the expenditure chargeable to the head "Telegraphs" . . . .

**Sir Cowasji Jehangir:** Is it included in your loss?

**Sir Thomas Ryan:** It is included in the loss for the whole Department, but is not included under the head "Telegraphs".

**Sir Cowasji Jehangir:** If it is included in the loss for the whole Department, it will show you are making a greater loss than you really are.

**Sir Thomas Ryan:** If you do not look at the details but confine your attention solely to the total, that is of course so; but it is not to the total that the Government would have to pay attention in considering the question of altering the telegraph or postal rates.

**Sir Cowasji Jehangir:** If the loss on the whole Telegraph and Postal Department is increased by that amount, then it is not quite a fair proposition. It ought to be debited to some other Department which wants this non-commercial activity.

**Sir Thomas Ryan:** I think there is a great deal to be said even from the point of view of the tax-payer in showing the cost of this uncommercial activity in a single place, instead of disguising it, as it would be disguised, if it were distributed over a number of Departments and merged in their accounts.

**Sir Cowasji Jehangir:** You are doing this work for some other Department and that some other Department ought to pay you. That was our recommendation. It should not be included in your general loss or in your general profits, for the matter of that.

**Sir Thomas Ryan:** I see the Honourable Member's point, but I do not think he allows for the fact that this loss, although it does arise in the Posts and Telegraphs Department, is shown quite separately in our accounts and is not treated as part of the loss of the Department for the purposes of adjustment which is made in the account between the Posts and Telegraphs Department and the general exchequer. We pay interest on accumulated Posts and Telegraphs loss or we get credit for the interest on the accumulated profit if any, but the loss under this Radio head is excluded for that purpose.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the entries under the head *Letters*, for the words 'One anna and three pies' the words 'One anna' be substituted."

The motion was negatived.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Postcards*, the following be substituted:

|         |                |
|---------|----------------|
| 'Single | Three pies.    |
| Reply   | Half an anna." |

Sir, these were the original rates for postcards and reply postcards before these increases took effect. I contend, Sir, that all the arguments that have already been adduced on this side of the House in favour of lower postage rates in general apply here also, but if I were to place all those arguments before this House once again, I think that would be of no use.

If the Honourable gentlemen on the other side of the House are not convinced by our arguments in favour of the necessity for cheap postage and cheap communications, then, I think, no further arguments need be adduced. Sir, their only ground has always been this that we cannot run this Department at a loss. I ask, how does the loss arise, why does the loss arise? To these questions they always have certain set reasons which they place before this House every year, and at the same time, charges are laid against us that it is through our pressure that they had to increase the cost of the Department. Sir, they have also said that we try our best to effect retrenchment and that the cost cannot be further reduced or has been reduced to the extent that was possible under the circumstances. They have taken the name of the Retrenchment Committee, in connection with which I offered some remarks and in which connection my Honourable friend, the President of that Committee, said that he or rather the Committee did all that was necessary or required of them and that a few more sittings of that Committee would have entailed a cost of such a big sum as Rs. 4,000 or Rs. 5,000,—and of course the Government and ourselves are thankful to him for having saved us that sum of money. Sir, he suggested a committee of certain experts who, he thought, would do the task better than himself and his other colleagues. Sir, I also, in all humility, am prepared to agree—not overlooking the ability of my Honourable friend, the President of the previous Committee, and the ability of his colleagues—with him in thinking that there are experts who are far more intelligent and far more capable of doing this thing and in a better way than them. But, incidentally, here of course the question of cost does not arise. We do not know what is to be the salary of the particular expert or experts; and we do not know of the cost of a tour round India; all these things, of course, might cost something less than Rs. one lakh, but that is perhaps a very very small sum! By the way, my friend of course was very careful in the matter of saving even Rs. 4,000 or Rs. 5,000. I thank my Honourable friend for his very liberal views on the subject of the capacity of Government officers and the incapacity of those who are unfortunately not Government officers. Anyway, apart from that, it seems that the floor of this Chamber is paved with good intentions.

Sir, we have always heard that as soon as the finances are better, we shall get relief. Now, we have relied on those promises, and we hope that the time will come when the finances will be better and that we shall get relief in taxation at any rate in small matters like postcards which affect the poorest in the country. Sir, our position is like the man in the golden barge led by a fair damsel, in Rabindra Nath's poem, and I may ask the Government in the inimitable words of the Poet Laureate of Asia:

"*Ar kata durty niyē jābēy  
Morēy hēy sundari,*

*Balo kon pārtēy bhīrīvēy  
Tomār sonār tārī;*

*Jakhani shudhāi, ogo videshini,  
Toomī hāso shudhu, madhur hāsinī,*

*Bujhītēy nā pāri, kēe jāni  
Kēe dāhētēy tomār monēy;*

*Nirābēy dekhāo angulī toolī,  
Akul sindhu utthichhēy akulī,*

*Durty paschimēy dubichhēy tapan  
Gagan konēy."*

**Some Honourable Members:** Please translate.

**Mr. Amar Nath Dutt:** As desired by Honourable Members, I shall reproduce the English translation:

"How far, how far yet wilt thou  
Lead me on, O damsel fair,  
Where, Oh, where, will thy golden  
Barge strike the shore,  
I question thee, Oh, my Lady  
From afar,  
But thou returnest only  
A smile from thy nectared lips,  
I know not what sweet mystery  
Thy bosom holds."

**Mr. F. E. James:** Speak up.

**Mr. Amar Nath Dutt:**

"I know not what sweet mystery  
Thy bosom holds,  
Thou utterest no words, but  
Only the finger pointest  
Thither where the distant billows roar,  
Where the sun sinks in the far off west."

Sir, the promises of my Honourable friend in charge of the Department are like the promises held out by the fair damsel in the poem. Sir, I move:

**Sir Cowasji Jehangir:** What is the connection between the poem and the Honourable Member in charge?

**Mr. Amar Nath Dutt:** The Honourable Member in charge, like the fair damsel in the poem, uttereth no definite words of hope, but his finger pointest thither where the distant billows roar

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Postcards*, the following be substituted:

|        |   |   |   |   |   |   |   |   |   |                 |
|--------|---|---|---|---|---|---|---|---|---|-----------------|
| Single | . | . | . | . | . | . | . | . | . | Three pies.     |
| Reply  | . | . | . | . | . | . | . | . | . | Half an anna'." |

**Mr. N. R. Gunjal** (Bombay Central Division: Non-Muhammadan Rural): (The Honourable Member spoke in the vernacular.)\*

\*A translation will appear in a later issue of these Debates.

**The Honourable Sir Frank Noyce:** Sir, my Honourable friend, Mr. Amar Nath Dutt, whom, I am glad to say in spite of what he told us this morning, I caught in the act of posting a letter on my way to the Assembly this afternoon, seems to think that the higher he pitches his demands, the more likely Government are to accept them. I could not help wondering this morning in the course of his speech why he had put no amendment on the paper urging that we should carry our letters and postcards for nothing. I need say no more in regard to the amendment we are now discussing than this that its cost to the Government would, we estimate, be 124 lakhs. That is the actual loss assuming a 20 per cent. increase in the number of postcards carried. But there is another very important point. We have to remember that if we make the difference between letters and postcards too wide, people will naturally substitute postcards for letters. This House has already affirmed the rate of one anna and three pies for letters and if we had the three pies rate for postcards, I am sure that most of us here—speaking personally I should myself—would write very many postcards than we do at present. I am afraid I must oppose the amendment.

**Mr. Amar Nath Dutt:** What about the quotation?

**The Honourable Sir Frank Noyce:** I am much impressed by it.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Postcards*, the following be substituted:

|         |   |   |   |   |   |   |   |   |   |                 |
|---------|---|---|---|---|---|---|---|---|---|-----------------|
| 'Single | . | . | . | . | . | . | . | . | . | Three pies.     |
| Reply   | . | . | . | . | . | . | . | . | . | Half an anna'." |

The motion was negatived.

**Mr. T. N. Ramakrishna Reddi:** Sir, I beg to move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Postcards*, the following be substituted:

|         |   |   |   |   |   |   |   |   |   |               |
|---------|---|---|---|---|---|---|---|---|---|---------------|
| 'Single | . | . | . | . | . | . | . | . | . | Half an anna. |
| Reply   | . | . | . | . | . | . | . | . | . | One anna'."   |

Sir, if Government are not going to be convinced by the arguments, couched in such beautiful poetic language, of Mr. Amar Nath Dutt, and if they are not going to be convinced by the appeals of my Honourable friend, Mr. Gunjal, made in Marathi, the language of the masses who are the sufferers under this heavy increases in postal rates, I do not think they will be convinced with my matter-of-fact arguments.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Speak in Telugu. (Laughter.)

**Mr. T. N. Ramakrishna Reddi:** However, Sir, I feel the justice of my case and so I will press this amendment. By this I want to bring the rates to the level that existed before these higher rates were imposed in 1931. I will only quote one sentence from the speech of the Honourable the Commerce Member when he moved these higher rates for our acceptance. He said:

"My Honourable friend's argument can be shown by a simple arithmetical calculation to be without foundation."

[Mr. T. N. Ramakrishna Reddi.]

That means that the Honourable Member is proving that though the imposition of this quarter anna extra reduces the volume of correspondence in postcards, yet it brings in enhanced revenue:

"Even assuming an annual increase of ten million in the postcard traffic and ignoring for the moment the wholly unjustifiable optimism of that assumption, then, Sir, at the existing rate that would bring us a nominal increase of barely three lakhs, while at the same time we should have to increase our expenditure to meet the cost of this additional traffic. On the other hand, even if our existing traffic fell from five hundred million postcards to four hundred million postcards, the increased rates would bring us in not less than 25 lakhs while, at the same time, our cost of handling the traffic would be materially diminished."

Thus the Honourable Member had calculated that, by this imposition of a quarter anna as the additional cost of a postcard, he hoped to get no less than 25 lakhs of rupees. Now, I want the Honourable Member in charge to reply how far they have realised their expectations in this particular instance. Sir, as I have already stated, the law of diminishing returns has set in and any increase will bring in a less amount of revenue. Sir, the Honourable Member in charge said that the revenues have been diminishing and so we have to maintain these higher rates. He has budgeted for a deficit of 57 lakhs for this year also. So I want to ask the Honourable Member if he is going to propose any additional increase in the rates of postcards again. If that is not the case, then let not prestige stand in the way of Government; let them revert to the original rate and, I am sure, they will realise the revenue which they had realised in 1930, and that would bring in some additional revenue in this direction also. There is no use in Government saying that we lose 40 lakhs in this and 50 lakhs in that. Last year, when they wanted to raise the revenues, they calculated an increase of 25 lakhs, but now they do not realise it. So I am asking them to go back to the old rates and, I am sure, they will realise higher revenues than what they budgeted for. With these words, I move my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Postcards*, the following be substituted:

|                   |               |
|-------------------|---------------|
| 'Single . . . . . | Half an anna. |
| Reply . . . . .   | One anna."    |

**Mr. S. G. Jog** (Berar Representative): Sir, I have a similar amendment lower down which is No. 74 in the agenda. My Honourable friend, Mr. Reddi, has given facts and figures to show that the experiment of increasing half-anna postcards to nine pies has proved not at all successful. The Postal Department, so far as I know, had some virtues in them before. Promptness and politeness were so far the predominant virtues of the Postal Department; but since last year I find that this Department has followed other Departments like the Army and are year by year getting more thick-skinned and more and more irresponsible to public criticism.

I had an amendment before this by which I wanted that the charges on envelopes should be reduced, but I did not press that amendment, because I thought that that amendment merely affected the rich men and, therefore, I did not press it. But the present amendment more or

less affects the poorer people and, so far as I can see, the Honourable Member in charge has got a reputation for kindness and sympathy towards the poor. My amendment is not of a very reactionary nature; I do not want the Postal Department to go back to three pies, but mine is a sort of compromise between three pies and nine pies. When we find that the experiment of having nine pie postcards has failed, let us enter upon this thing now and let us go back to the old rate of two pice for post cards and one anna for reply cards. Let us give another trial to this and let us see how it results. The tendency nowadays is to go back in all respects to pre-war scales, both in expenditure as well as in taxes and other things. The occupants of the Treasury Benches very well know that the earning power of the people,—or, to use the other technical phrase, the purchasing power of the masses,—has considerably gone down, and the lower class people and the middle class people find it very difficult to write letters or postcards with the result that, except where it is absolutely necessary, they avoid having any correspondence. The circumstances of the life of the Indians have now considerably changed. People do not move within an area of five or ten miles, but they travel all round from this part of India to that part of India; and specially in the case of the labouring classes, people from the south go to the north, west and all other parts and their relatives are very anxious to know all about them. But what has been happening now? The addition of three pies has made it practically prohibitive for people to have correspondence and communication about their families and other things with the result that it is only in the case of death that letters are written. Probably, even in the case of death, they avoid writing letters to inform the relatives,

and much more so by this arrangement than any other. This 4 P.M. Government, which at times claim to be the trustees, the custodians and the well-wishers of the masses, have not taken into account this slight convenience which they ought to give to the masses. Like salt and kerosene, postcard,—I mean the necessity of giving information to one's relatives working in distant parts of the country—has now become almost a necessity. Just as kerosene is essential and salt is essential, postcard is essential once in a way—say once a month at least—and it is necessary to send communications in postcards. I have not got the figures, but I think the Postal Department must have worked out the figures regarding the correspondence per head so far as the postal charges are concerned, and I think the result would show to be extremely unsatisfactory. The poor class people have not been able to send a card, even one card, probably per head in one year. I am not exactly sure about the facts and figures, but I assume the Postal Department must have worked at it and the result would show that poor people have been kept out of this sort of necessary means of communication. In other countries people can make free use of these postcards for communication and other things. In other countries, where the earning capacity of the people is much more than that in India, they take advantage of the postcards and in their case a slight increase in postage does not matter, but, looking at the earning capacity of the people of India, which is far below as compared to other countries, I think the postal rates must in proportion to that be reduced. Sir, as I have already said that my proposal is a sort of compromise and it will give to the Department another opportunity of going back and seeing how things work for a year more, I think the Government should not be reluctant in accepting this amendment. Sir, with these words, I support the amendment.

**Mr. Lalchand Navral** (Sind: Non-Muhammadan Rural): Sir, I thought that if I did not intervene in this debate, I would not be doing justice to the poor people of India. I do not find fault with the politeness of the Honourable Member in charge of the Industries and Labour Department, nor with the Director General of Posts and Telegraphs, but, Sir, we do want not only politeness, we want that the burden of the poor should be relieved, or at least reduced. It cannot possibly be denied that it is the poor who uses the card more oftener than the rich man. I think India's interest would be better served if, after this rate of postage has been increased, the rich people were to discontinue writing letters and used, as much as they could, cards instead of envelopes. But I do see a tendency in the rich people to stick to their own way of writing a few words on a piece of paper, putting it in an envelope and posting it away. The same custom is in vogue with the people of higher status, but the point at the present moment is that what we want is that the poor men should be given facilities. At present the poor man no doubt writes his card only when it is absolutely necessary and, it may be, he waits to write even that card until he has much substance to write over several matters.

We see that this measure, when enacted, was not to be a permanent one. We were given to understand that this increase was being made for emergency purposes only for some time,—18 months. Sir, strictly speaking, it is a breach of faith, and I submit that, it is necessary for the Government to revise this rate of the postal charges. At one time we had to purchase a card for only three pies. Then the price of the card was increased to six pies and now it is nine pies. We are asking by the amendment to bring it down—it is not a big jump—to six pies. Government may be able to see how much they are going to suffer by this reduction. Government should be in a position to say how much they have been making by the increase in the postage on these postcards, and as I think no figures have yet been given—I wait to see what the Honourable Member in charge is going to say—I must say that there must be real justification for the Government to continue these increased postage on cards and letters. We have seen with regard to this Finance Bill that whenever we asked Government to reduce expenditure or remit duty, they invariably put forth the stereotyped reply that there would be loss on this head or that, and that, therefore, they could not accept any amendment. When the popular side wants that there should be some decrease, it is for the Government side to consider how to meet that particular popular desire and not to say on every question that they would be losers. Therefore, if they do not curtail this postage, I would merely say that that is obstinacy. I would appeal that this question is such that the Government should give very careful consideration to it and at least once in a way yield to the popular opinion. As this question affects the poor, I would appeal to every Honourable Member on this side of the House to be firm and ask for a division. On every occasion of this kind we get the stereotyped reply that there is very much loss which the Government cannot bear and for that reason they will not reduce the duty, and so on, and so forth. If that is the reply, then where is the necessity, I ask, of putting the Finance Bill to the House and of asking the opinion of the popular side. Therefore, I again say that this is the point on which the Government should

yield, and, if not, this House should insist that the loss in the curtailment of the postage asked for by this motion should be met otherwise, and if the Government do not pay heed to the popular voice of the House, the House should ask for a division.

**The Honourable Sir Frank Noyce:** Sir, I was endeavouring this morning to survey the position of the Department as a whole, and I feel that, in dealing with this case, that is what we have to do. It is for that reason that, in spite of the impassioned appeal of my Honourable friend, Mr. Lalchand Navalrai, I can do no more than repeat the stereotyped reply which he accused me of always giving. He and my Honourable friend, Mr. Jog, who made an appeal to my good heart—I wish I were in a position to respond—have drawn a rather doleful picture of the poor people of India who are prevented from communicating with their relatives in distant places by the terrible price of postcards. Sir, while I fully realise that this House has always been in favour of this cheap means of communication for reasons which, I venture to say, are entirely to its credit, I am afraid I am unable to agree that the picture is quite as black as Mr. Jog and Mr. Lalchand Navalrai have painted it. Our figures show that for last August—to take a typical month—there was a fall of about 19 per cent. in the postcard traffic; I venture to think that that does not show that the poor people of India are being entirely deprived of postal communications. If there has only been a fall of 20 per cent., it is obvious that this method of communication is still being very extensively used. It is also obvious that, since the fall in traffic was only 20 per cent. and the increase in the postal rates was 50 per cent., there must have been a very considerably increased revenue from this source. I am unable to give any estimate of what it is as we have no separate returns for postcards. As regards the actual loss involved in this proposal, the House must be getting very weary of my figures and I think this will be the last one that I shall have to give. The reduction of the postcard rate to six pies, allowing for a ten per cent. increase, in traffic, would cost us 55 lakhs, and that I can only repeat once more we cannot afford. I can only repeat again that we are as anxious as any Member on the Opposition Benches can be to get the rates back to the old level as soon as possible. If there were any gleam of hope that conditions were returning to normal in the near future, that trade and industry were going to improve with any rapidity, we should be prepared to take the risk; but in present conditions we are not justified in taking that risk. My Honourable friend, Mr. Amar Nath Dutt, this morning seemed to think that our motto on this side of the House should be “Take no thought of the morrow”. I am afraid that the condition of India would be very different from what it is today if we adopted that policy. Sir, I regret I have to oppose this amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

“ That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Postcards*, the following be substituted :

[illegible]



The Assembly divided:

AYES—35.

Abdul Matin Chaudhury, Mr.  
Azhar Ali, Mr. Muhammad.  
Bagla, Lala Rameshwar Prasad.  
Biswas, Mr. C. C.  
Brij Kishore, Rai Bahadur Lala.  
Chinoy, Mr. Rahimtoola M.  
Dudhoria, Mr. Nabakumar Sing.  
Dutt, Mr. Amar Nath.  
Gour, Sir Hari Singh.  
Gunjal, Mr. N. R.  
Ibrahim Ali Khan, Lieut. Nawab.  
Muhammad.  
Jadhav, Mr. B. V.  
Jog, Mr. S. G.  
Lahiri Chaudhury, Mr. D. K.  
Lalchand Navaraj, Mr.  
Maswood Ahmad, Mr. M.  
Misra, Mr. B. N.  
Mitra, Mr. S. C.

Neogy, Mr. K. C.  
Pandian, Mr. B. Rajaram.  
Pandit, Rao Bahadur S. R.  
Parma Nand, Bhai.  
Rajah, Rao Bahadur M. C.  
Ranga Iyer, Mr. C. S.  
Rastogi, Mr. Badri Lal.  
Reddi, Mr. T. N. Ramakrishna.  
Sadiq Hasan, Shaikh.  
Sen, Pandit Satyendra Nath.  
Singh, Kumar Gupteshwar Prasad.  
Singh, Mr. Gaya Prasad.  
Suhrawardy, Sir Abdulla-al-Māmūn.  
Talib Mehdi Khan, Nawab Major  
Malik.  
Thampan, Mr. K. P.  
Uppi Saheb Bahadur, Mr.  
Wilayatullah, Khan Bahadur H. M.

NOES—46.

Abdul Hye, Khan Bahadur Abul  
Hasnat Muhammad.  
Acott, Mr. A. S. V.  
Ahmad Nawaz Khan, Major Nawab.  
Allah Baksh Khan Tiwana, Khan  
Bahadur Malik.  
Amir Hussain, Khan Bahadur Saiyid.  
Bajpai, Mr. G. S.  
Bhore, The Honourable Sir Joseph.  
Clow, Mr. A. G.  
Dalal, Dr. R. D.  
DeSouza, Dr. F. X.  
Dutt, Mr. G. S.  
Dutt, Mr. P. C.  
Fox, Mr. H. B.  
Gidney, Lieut.-Colonel Sir Henry.  
Grant, Mr. C. F.  
Gwynne, Mr. C. W.  
Haig, The Honourable Sir Harry.  
Hezlett, Mr. J.  
Hudson, Sir Leslie.  
Ishwarsingji, Nawab Naharsingji.  
Ismail Ali Khan, Kunwar Hajee.  
James, Mr. F. E.  
Jawahar Singh, Sardar Bahadur  
Sardar.

Leach, Mr. A. G.  
Mackenzie, Mr. R. T. H.  
Metcalf, Mr. H. A. F.  
Millar, Mr. E. S.  
Mitchell, Mr. D. G.  
Mitter, The Honourable Sir  
Brojendra.  
Morgan, Mr. G.  
Mukherjee, Rai Bahadur S. C.  
Nihal Singh, Sardar.  
Noyce, The Honourable Sir Frank.  
O'Sullivan, Mr. D. N.  
Rafuddin Ahmad, Khan Bahadur  
Maulvi.  
Rau, Mr. P. R.  
Ryan, Sir Thomas.  
Schuster, The Honourable Sir George.  
Scott, Mr. J. Ramsay.  
Seaman, Mr. C. K.  
Sher Muhammad Khan Gakhar,  
Captain.  
Singh, Mr. Pradvamna Prashad.  
Smart, Mr. W. W.  
Smith, Mr. R.  
Tottenham, Mr. G. R. F.  
Vachha, Khan Bahadur J. B.

The motion was negatived.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, under the head *Postcards*, for the words 'One and a half annas' the words 'One and a quarter annas' be substituted."

My idea is this. At present six pice are charged for a reply postcard, and if the reply postcard is reduced to five pice, it will induce the public to use reply postcards in larger numbers. What happens nowadays is

this. When a man has to write from Calcutta to his family in a village, they do not get postcards so easily with the result that they do not reply to his postcard and Government loses very much. If, therefore, reply postcards are charged only five pice, the man sending the postcard will be induced to write on a reply postcard, because he will save three pice, and his family people in the village will also be able to reply to it at once. In this way it will not only help the poor people, but it will help the Government as well, as they will be able to sell a larger number of reply postcards. Further, last year surcharge was 25 per cent. on each article—even for letters it was 25 per cent., while for the poor man's postcard it was 50 per cent. With these words, Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, under the head *Postcards*, for the words 'One and a half annas' the words 'One and a quarter annas' be substituted."

**The Honourable Sir Frank Noyce**: Sir, my fundamental objection to the proposal of my friend, Mr. M. Maswood Ahmad, is that it is not practicable. If my Honourable friend could devise any means of ensuring that the person to whom a postcard is sent uses a reply postcard and that he alone uses it, then we might possibly be able to entertain the proposal. But what would obviously happen, Sir, is that we should all buy reply postcards, and run a knife down between the postcard and the reply postcard, divide them and use them separately. I am afraid, therefore, that for that reason I must oppose this amendment.

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I am surprised at the reply that the Honourable Member in charge of the Department has just given. When this surcharge on the postal rates was raised, a question was put, and, if I remember aright, the Honourable Sir Joseph Bhore replying to the debate said that it would be difficult to sell postcards for 2½ pice, and, in order to have a round figure, they had suggested three pice, which is more than half of one anna three pice which is the postage for letters. In strict logic, all that the Government intended to do was to have a postcard for 2½ pice, but as they thought that 2½ pice was very inconvenient to handle, and the emergency was short-lived, they raised the postage to three pice. Now, what is suggested is that while it may be very inconvenient to buy a single postcard for 2½ pice, there is no harm whatever in purchasing two postcards for five pice, leaving the purchaser free to use two, either by way of reply by sending it on to the addressee or using it himself. The inconvenience was the inconvenience then suggested by the Department concerned in pricing a thing for 2½ pice, and that inconvenience is circumvented by the suggestion of the Mover of this amendment. There was no question of any financial loss. On the other hand, every argument is conducive and supports the view that the Government are not entitled to charge more than 2½ pice for a postcard.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, under the head *Postcards*, for the words 'One and a half annas' the words 'One and a quarter annas' be substituted."

The motion was negatived.

**Mr. S. G. Jog:** Sir, it is just possible that I may be charged with something of inconsistency, because in my amendment No. 74 I say that a single postcard should be charged half an anna and a reply postcard should be charged one anna, but by this amendment I am suggesting:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the existing entries under the head *Postcards*, the following new entry be inserted:

'For local service postcard . . . . . Half an anna.'

Anticipating the fate of my first amendment, I had given notice of this amendment. Let me explain what I mean. This amendment has probably not been understood by the House since I find that it has not been followed up by other Honourable Members, and, therefore, I think I should make the meaning of my amendment quite clear. By "local service postcard" what I mean is this. There are places like Calcutta, Madras and Bombay and many other important commercial centres where a lot of correspondence passes from one place to another, but nowadays, on account of this increase in the rates, there is a tendency amongst many people to use their servants or to employ some other agency to avoid the three pice postcard for communications in the town itself. It is just possible that in villages or small towns these local service postcards may not be taken advantage of fully, but, in big commercial centres, these local service postcards will be very popular, and the introduction of such postcards will add considerably to the revenues of the Department. I am told that such a system exists on the continent also, and, therefore, I see no reason why this experiment should not be tried in this country. This House is generally charged with only irresponsible criticism from this side of the House, but let me take the liberty of placing this constructive suggestion before the Government for their consideration and acceptance. I had also a formal talk with the predecessor of the present Post Master General a year or two ago, but, somehow, after he relinquished his office, no attention was paid to this subject. I hope that the Department will work out this scheme and will carefully consider this constructive suggestion which, if given effect to, will very considerably improve the finances of the Department. I move my amendment, and I hope it will receive the full support of the House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the existing entries under the head *Postcards*, the following new entry be inserted:

'For local service postcard . . . . . Half an anna.'

**Mr. N. R. Guhjal:** Sir, I support the amendment.

**The Honourable Mr. Frank Neyce:** My Honourable friend, Mr. Jog, has put forward a valuable suggestion, but I should like to tell him that it is not quite as novel as he might seem to think. This question has been examined by the Posts and Telegraphs Department from time to time and various objections have been raised to its adoption. Some of those objections, I do not think, are very substantial. One of them, I find, was that

the number of local deliveries would have to be increased to meet the growth in local traffic. If that were the case, it would, to my mind, carry exactly the opposite implication. The growth of local traffic should be welcomed, not deprecated. There are other rather more vital objections. One is that a flat rate for all distances is now the accepted principle and that we can hardly depart from it. There would undoubtedly be difficulties in sorting local and other letters. Again, there might possibly be difficulties in distinguishing local letters from non-local letters, as the post marks are not always quite as legible as we would like them to be. A further difficulty which was brought forward was the difficulty of demarcating local areas for local delivery. Those were the difficulties which were put forward and which caused the proposal for the time being to be dropped. But it is a fact, as my Honourable friend, Mr. Jog, has stated, that this system is actually in operation in some European countries, and, I think, therefore, in view of that, the Government of India ought certainly to examine the matter further with a view to finding out whether there is any possibility of bringing the system into operation in this country, at any rate in regard to some of the big towns. It might, for instance, be possible to make an experiment in a very well defined area such as Bombay Island. I can assure the Honourable Member that we will, therefore, go ahead with this examination and find out how the system works in European countries and whether there is any possibility of doing anything in that direction here when the times improve. I must add "when times improve", because it must be perfectly obvious to my Honourable friend that a reduction of 50 per cent. in the charge on a postcard is not likely to double the number of postcards that pass through the post. I should like to add that there would not in my view be any justification for distinguishing between letters and postcards in this respect, and, if it should be possible to introduce a reduced rate for postcards for local delivery, we should also have to make some reduction in the case of letters. I hope that my Honourable friend will be content with this assurance and will not press his amendment.

**Mr. S. G. Jog:** In view of the not exactly sympathetic, but quasi-sympathetic reply of the Honourable Member in charge, I beg leave of the House to withdraw my amendment.

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

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is that Schedule I stand part of the Bill.

The motion was adopted.

Schedule I was added to the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is that clause 4 stand part of the Bill.

The motion was adopted.

Clause 4 was added to the Bill.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 23rd March, 1933.

## LEGISLATIVE ASSEMBLY.

Thursday, 23rd March 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

### QUESTIONS AND ANSWERS.

#### SINO-JAPANESE WAR.

877. \*Mr. Bhuput Sing: (a) Have any special arrangements and preparations been made to guard the eastern and northern frontiers of India against possible attacks of enemies during the Sino-Japanese war? If so, what?

(b) Has there been any correspondence between the Government of India and the British Government on the subject?

(c) What was the attitude of the Indian representative at the League of Nations towards the Draft Report of the Committee of Nineteen on the Sino-Japanese dispute?

Mr. H. A. F. Metcalfe: (a) It would not be in the public interest to give a reply to this part of the question.

(b) No.

(c) The Indian representative at the League of Nations was not in a position to adopt any attitude with reference to the Report of the Committee of Nineteen.

#### RESTRICTIONS ON THE PASSPORT GRANTED TO MR. SUBHAS CHANDRA BOSE.

878. \*Mr. S. C. Mitra: (a) What is the practice in granting passports regarding the mentioning of countries to which the holder of the passport can proceed?

(b) Is it the practice to mention that the holder of the passport cannot enter some countries? If so, are there any cases of such exclusion and endorsement during the last five years?

(c) Is it a fact that on the passport issued to Mr. Subhas Chandra Bose it is stated that he cannot enter the United Kingdom and Germany?

(d) Will Government be pleased to state what reasons induced them to prevent Mr. Subhas Chandra Bose entering Germany?

(e) Has there been any communication from the German Government or the representative of the German Government in India on the subject?

(f) In whose interest has this exclusion been made?

(g) What are the reasons for excluding Mr. Subhas Chandra Bose from the United Kingdom?

(h) Have His Majesty's Government expressed any desire that Mr. Subhas Chandra Bose should be so excluded?

(i) Have not His Majesty's subjects in India the right to go freely to Great Britain?

(j) In whose interest and for what reasons has this exclusion been ordered?

**The Honourable Sir Harry Haig:** (a) and (b). The practice is to endorse a passport for the countries proposed to be visited, which are named. It is also not uncommon to indicate on the passport countries for which it is not valid.

(c) Yes.

(d) to (j). I should like to make it quite clear to the Honourable Member that the withdrawal of the order against Mr. Bose under Regulation III for the purpose of enabling him to visit Europe was due solely to the state of his health. The reasons for which Mr. Bose was confined still hold good, and there is no reason to believe that he has severed his connection with the movement of revolutionary violence. The Government of India, therefore, considered it undesirable that he should go to countries other than those which it was necessary for him to visit in order to obtain the medical treatment which has been recommended for him. His passport was, therefore, endorsed for France, Switzerland, Italy and Austria only. The German Government were not consulted.

#### WITHDRAWAL OF ORDER UNDER REGULATION III OF 1818 PASSED ON MR. SUBHAS CHANDRA BOSE.

879. **\*Mr. S. G. Mitra:** (a) Has the order under Regulation III of 1818 passed on Mr. Subhas Chandra Bose been withdrawn? If so, when?

(b) Has the order been communicated either to Mr. Subhas Chandra Bose or to any member of his family?

**The Honourable Sir Harry Haig:** (a) and (b). The warrant under Regulation III of 1818 has been withdrawn with effect from the date on which Mr. Subhas Chandra Bose left India. He and his relatives were previously informed that this would be done.

#### FUTURE STATUS OF BERAR.

880. **\*Mr. S. G. Jog:** (a) Will Government state whether the negotiations which are in progress on the question of the future status of Berar have been concluded?

(b) If so, will Government state the result of these negotiations?

(c) Will Government make a general statement on the whole position?

(d) Has the question of Berar been included in the White Paper?

(e) If not, will Government please state when and at what stage the question will be considered?

(f) Will Government please state whether the representatives of Berar will be afforded an opportunity of expressing their views on the question of treating Berar as a federating unit? If so, when?

**Mr. H. A. F. Metcalfe:** (a) No.

(b) The question does not arise.

(c) The only general statement that I am able to make is that in the discussions at present proceeding between the Government of India and His Exalted Highness the Nizam, the handing over of the administration of Berar to the Government of His Exalted Highness has not been contemplated by either party. What is under consideration is the exact method by which Berar, in view of its peculiar constitutional position, should be brought into a Federal Constitution.

(d) and (e). The Honourable Member's attention is invited to paragraph 45 of the Introduction to, and paragraph 61 of the Proposals in, the White Paper.

(f) The representatives of Berar have already had opportunities of expressing their views on this question both in this House and in other places. There will doubtless be further opportunities before any final decision is taken.

**Sir Muhammad Yakub:** Were the people of Berar consulted when the administration of Berar was taken from His Exalted Highness the Nizam by the Government of India?

**Mr. H. A. F. Metcalfe:** To the best of my knowledge, they were not consulted at that time.

**Sir Muhammad Yakub:** Was any undertaking given to the people of Berar at that time that they would be consulted when the administration of Berar would again be made over to its rightful owner?

**Mr. H. A. F. Metcalfe:** The answer is no doubt in the negative. At that time, there was no machinery for consulting or ascertaining the wishes of the people of Berar.

**Dr. Ziauddin Ahmad:** Were the people of India consulted as to whether they would remain under the British Government? (Laughter.)

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That question does not arise.

#### CLOSED HOLIDAYS IN THE GOVERNMENT OF INDIA OFFICES FALLING ON SUNDAYS.

881. **\*Mr. S. G. Jog:** (a) Is it a fact that the holiday for Christmas Day, 1932, fell on Sunday, the 25th December, 1932?

(b) Is it a fact that another closed holiday on account of the New Year Day, 1933, for the Government of India offices also fell on Sunday?

(c) Is it also a fact that as these holidays fell on Sunday the Government of India offices were given closed holidays on the following days?

(d) If the replies to the above be in the affirmative, were any holidays similarly given in lieu of the following holidays which also fell on Sunday in 1932 and 1933; (i) Guru Nanak's Birthday, and (ii) Dhulandi? If not, why not?

(e) Are Government prepared to see that when any closed holiday falls on a Sunday, in lieu of that day another closed holiday is granted on the following day? If not, why not?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) and (c). A closed holiday is given on account of Proclamation Day but as New Year Day this year fell on a Sunday, Proclamation Day on which a parade of troops takes place was observed on Monday, the 2nd January, and a closed holiday was given on that day. X'mas Day last year fell on a Sunday and closed holiday was given on another day as a special case.

(d) No. The ordinary rule is that when a closed holiday falls on a Sunday, no other day is declared as a holiday in compensation.

(e) Government do not consider that any change is required.

**Mr. S. G. Jog:** Will Government say as to how many days in the year out of the closed holidays fall on Sundays?

**The Honourable Sir Harry Haig:** That, I think, depends on the particular year.

**Sir Cowasji Jehangir:** Do not the Government think it a mercy when a public holiday falls on a Sunday?

**The Honourable Sir Harry Haig:** I do not think Government servants would take that view.

**Mr. S. G. Jog:** It is not more than one or two days at the most that fall on a Sunday out of the closed holidays. Will not Government consider it desirable to grant this small concession of one or two days in the year at the most?

**The Honourable Sir Harry Haig:** On the whole, the Government think that the present system of holidays is adequate.

**Mr. Gaya Prasad Singh:** Is it not a fact that the number of gazetted holidays on account of some religious festival is fixed for every year under the Negotiable Instruments Act or any other law in force?

**The Honourable Sir Harry Haig:** I believe there is a fixed number of holidays under the Negotiable Instruments Act, but in the Government offices there is a special list of holidays observed. Some of them are closed holidays and some of them are partial holidays.

**Mr. Gaya Prasad Singh:** If the number of holidays in a particular year is fixed and if one or two holidays fall on Sundays, is it the contention of Government that the employees are deprived of the holidays which fall on Sundays?

**The Honourable Sir Harry Haig:** I think the Honourable Member is not distinguishing between two different things. Holidays under the Negotiable Instruments Act, I understand, apply to banks.

**Mr. S. G. Jog:** Is it not a fact that in the Delhi Province people get 35 holidays in the year, whereas in the Government of India they get only 14 holidays?

**The Honourable Sir Harry Haig:** The Government of India, Sir, is a very hard working institution.

**Diwan Bahadur A. Ramaswami Mudaliar:** Do the Government of India contemplate any revision of the holidays in view of the fact that there are more holidays in this country than in any civilised country in the world?

**The Honourable Sir Harry Haig:** We have gone into this question, so far as the Government of India are concerned, very carefully, and I do not think that the number of closed holidays can be regarded as excessive.

**Mr. Gaya Prasad Singh:** Are Government aware that the number of religions practised in this country is more than in any other country in the world?

**The Honourable Sir Harry Haig:** That, I agree, is the case.

**Sir Cowasji Jehangir:** Are Government aware that commerce and industry in this country require the same facilities as to working days as any other country?

**The Honourable Sir Harry Haig:** I think, Sir, I must repeat my previous answer—that the number of holidays which are taken by the Government of India offices cannot reasonably be regarded as excessive.

**Sir Cowasji Jehangir:** I am not talking of the Government of India holidays, Mr. President. I am referring to the bank holidays under the Negotiable Instruments Act. The Government of India can take as many holidays as they choose. I am only concerned with the holidays under the Negotiable Instruments Act, and the question was, whether, if a holiday, which existed under the Negotiable Instruments Act, fell on a Sunday, a holiday should not be given on another day. But my own question to the Honourable Member was: "Are not there sufficient holidays already under the Negotiable Instruments Act to inconvenience industry and commerce, and whether my Honourable friend would restrict them rather than extend them?"

**The Honourable Sir Harry Haig:** I think there are quite a sufficient number of holidays under the Negotiable Instruments Act, and they cannot be extended. There is no question of extending them.

**Sir Cowasji Jehangir:** They can be, if Government choose to declare another day as a holiday instead of a Sunday,—Government may decide to do so due to pressure from this Honourable House.

**The Honourable Sir Harry Haig:** My original answer made it plain that Government did not propose to do it under pressure from this Honourable House. (Hear, hear.)

**Dr. Ziauddin Ahmad:** May I ask whether, if any of these Moplahs desire to come back to their country, Government would provide facilities for them and would pay for their expenses back?

**The Honourable Sir Harry Haig:** No, Sir. I do not think there is any system under which Government can pay for their passages back. They have elected to settle in the Andamans and if, on the expiry of their sentences, they elect to remain on, then I think there is no system under which Government later can give them an opportunity of changing their minds.

**Dr. Ziauddin Ahmad:** Is it not a fact that Government, at their own expense, have taken them to the Andamans? And now, if they choose to come back, is it not the duty of Government to provide for their expenses back to their homes?

**The Honourable Sir Harry Haig:** Well, Sir, I am not satisfied that there really is a demand on the part of these people to leave the Andamans.

**Dr. Ziauddin Ahmad:** The demand is there. I am given to understand that they would like to come back if the Government grant them facilities.

**The Honourable Sir Harry Haig:** For these questions, Sir, we have to obtain answers by telegraphic correspondence, which is somewhat costly, with the Chief Commissioner, Andamans, but I am perfectly prepared to make more detailed inquiries in this matter by letter.

**Dr. Ziauddin Ahmad:** Thank you very much; and if any Moplahs want to come back, then will facilities be provided for them?

**The Honourable Sir Harry Haig:** I cannot say, but I am prepared to look into the question.

**Dr. Ziauddin Ahmad:** Thank you very much.

**Maulvi Sayyid Murtuza Saheb Bahadur:** Are Government aware that during the time of our late lamented Home Member, Sir Alexander Muddiman, a deputation of three Muslims and one Parsi gentleman was sent to the Andamans of which I had the honour to be one, and that a majority of three reported that all these prisoners should be sent back to India with their families, but that the Government of India acted up to the minority report of one gentleman against three?

**The Honourable Sir Harry Haig:** I am aware that the Government of India took a different view to that of the Committee mentioned by my Honourable friend and of which he was a member, but I would remind him that my predecessor at that time himself visited the Andamans and was able to form an opinion of his own.

**Maulvi Sayyid Murtuza Saheb Bahadur:** May I know what was the necessity of sending a deputation all the way from here to the Andamans when the then Home Member was in a position to go over there and make personal inquiries into the matter?

**The Honourable Sir Harry Haig:** Well, Sir, that is an incident of past history which, I am afraid, I cannot go into now.

**Mr. M. Maswood Ahmad:** Is it a fact that the Government accepted the minority report and rejected the majority report as stated by the Honourable gentleman?

**The Honourable Sir Harry Haig:** As far as I know, the Government did not accept the description of conditions given in the majority report as being a fair description.

**Mr. Gaya Prasad Singh:** May I know why the members of the Deputation were allowed to return from the Andamans at all? (Laughter.)

**The Honourable Sir Harry Haig:** Well, Sir, I am not sure that they were chosen specially as likely to make good settlers (Laughter.)

#### INDEBTEDNESS OF MOPLAHS IN THE ANDAMANS.

**885. \*Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

- (a) whether it is a fact that Moplahs who are staying in the Andamans after the expiry of their respective terms of imprisonment are detained there because they are indebted to Government for advances paid to them under the Andaman colonisation scheme to take their family to the Andamans or under any other scheme;
- (b) if so, how many of them are thus indebted and for how much each of them;
- (c) whether Government have taken any undertaking from them to remain in the Andamans till such advances are made good;
- (d) if so, whether the families of such persons are also bound to remain in the Andamans;
- (e) if not, are they at liberty to leave the Andamans;
- (f) what the terms of such contract are;
- (g) whether there are any means for them there to pay up their debts by other than manual labour to Government?

**The Honourable Sir Harry Haig:** (a) They are not allowed to leave till they pay off their *takavi* dues.

(b) I do not know the precise number of Moplahs affected but I am informed that the amount of *takavi* advances due from them in no case exceeds Rs. 250.

(c) No.

(d) No.

(e) Yes.

(f) Does not arise

(g) They can obtain private employment in various capacities.



**Mr. Uppi Saheb Bahadur:** May I ask whether these *takavi* loans were forced on these Moplahs in order to enable them to take their families to the Andamans?

**The Honourable Sir Harry Haig:** No, Sir. The loans had nothing to do with the cost of bringing families to the Andamans, which was borne by the Government. The *takavi* loans were ordinary agricultural advances.

**Mr. Uppi Saheb Bahadur:** May I ask, if it is not the case that while the families of these Moplahs were taken to the Andamans at Government expense and were practically thrown on these prisoners, the latter were forced to take *takavi* loans from Government?

**The Honourable Sir Harry Haig:** I do not think that any Moplah families were sent to the Andamans except at the express request of the Moplahs concerned.

**Maulvi Sayyid Murtuza Saheb Bahadur:** Are Government aware that the terms of the *takavi* loans are written in Persian—a language which the Moplahs are ignorant of?

**The Honourable Sir Harry Haig:** I am not aware, Sir, in what language the transaction is recorded, but I have no doubt that the terms of it are explained in a language which is intelligible to the Moplahs.

**Mr. Uppi Saheb Bahadur:** Is it not a fact that the Moplahs did not want this Colonization scheme? On the other hand, the Honourable the Home Member has just told us that this scheme was in accordance with the wishes of the Moplahs. Since this scheme came out, there was a strong agitation in Malabar and outside Malabar, and in the Madras Legislative Council and outside it: so much so that it became an All-India affair.

**The Honourable Sir Harry Haig:** It is perfectly true that at the time to which my Honourable friend refers, there was an agitation in regard to this Moplah settlement and, as a result of the committee in which my Honourable friend, Sayyid Murtuza Saheb Bahadur, participated, it was provided that any of the present Moplah settlers, that is to say, up to 1926, who wished to return to jails in India and send their wives and families back to Malabar, would be allowed to do so.

#### PROVISION OF MONEY AND OTHER FACILITIES TO MOPLAHS TO RETURN TO MALABAR.

886. **\*Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) whether they are bound to take back to Malabar at Government expense the families of the Moplah convicts in the Andamans who were taken there by Government under the Andaman colonisation scheme, if the families are desirous of returning to Malabar;

(b) whether it is a fact that a number of Moplahs whose terms of imprisonment have expired and their families who were taken there by Government under the Andaman colonisation scheme are still in the Andamans because they have no money to pay the passage back to Malabar;

(c) if so, how many of them are there; how many are *ex*-Moplah convicts; how many who belong to their families and were taken there by Government under the Andaman colonisation scheme;

(d) if the answer to part (a) is in the affirmative, the reasons for not taking them back to Malabar;

(e) whether Government ever considered the necessity or advisability of providing them with funds and other facilities to return to Malabar?

**The Honourable Sir Harry Haig:** (a) No.

(b) and (c). Nine Moplah *ex*-convicts expressed their intention of remaining in the Settlement as they had no money to pay for the passages of their families back to Malabar.

(d) Does not arise.

(e) No. I may add that the Chief Commissioner, Andamans, reports that the Moplahs made no complaints about their general treatment, and that in fact they have been generously treated.

**Dr. Ziauddin Ahmad:** May I ask, Sir, who paid for the travelling of these families from Malabar to the Andamans?

**The Honourable Sir Harry Haig:** The Government.

**Dr. Ziauddin Ahmad:** Then is it not the duty of the Government to pay the expenses of their going back?

**The Honourable Sir Harry Haig:** No, Sir. On the face of it, that does not seem to me to be a reasonable proposition, but I have promised to look into the whole question.

#### FORCED DETENTION OF A CERTAIN MOPLAH OWING TO HIS INABILITY TO PAY UP DEBTS DUE TO GOVERNMENT.

887. **\*Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) whether a Moplah named Palempadiyan Aydroo, who was convicted for offences connected with Malabar rebellion, and his family were forced to remain in the Andamans for four years after the expiry of his term of imprisonment owing to his inability to pay up debts due to Government;

(b) whether his family was taken to the Andamans by Government under the Andaman colonisation scheme;

(c) what the amount advanced to him under the scheme was;

(d) what amount he owed to Government at the time of the expiry of his term of imprisonment;

(e) whether he represented to the authorities that he was unable to pay the debts and that he should be permitted to go back to Malabar without paying such debts;

(f) if so, whether such permission was given to him;

(g) if permission was refused, why;

(h) whether he also requested Government to give free passage to his family to be taken with him to Malabar; if so, what the reply of the authorities was;

- (i) whether it is a fact that this man was permitted to leave the Andamans only after he discharged fully his debt due to Government by toiling for four years;
- (j) whether it is a fact that he or his family were not granted free passage to Malabar and that he had to spend money for the travelling expenses of himself and his family; if so, why; and
- (k) who is responsible for his expenses whether it is the Government of India or the Government of Madras?

**The Honourable Sir Harry Haig:** (a) The Moplah in question remained in the Andamans voluntarily.

- (b) Yes, he imported his family at Government expense.
- (c) A *takavi* loan of Rs. 220.
- (d) Rs. 200 principal plus Rs. 16-7-0 interest. He repaid the whole amount in 1932.
- (e) and (f). No.
- (g) Does not arise.
- (h) No.
- (i) He remained in the Andamans of his own accord.
- (j) After he had elected to settle down in the Andamans, passages back to Malabar were not admissible for his family.
- (k) Neither the Andamans Administration nor the Government of Madras are responsible for his expenses. If he had left immediately on release, the Andamans Administration would have paid his passage by sea and the Government of Madras would have met his expenses from Madras to his home.

#### GRANT OF PERMISSION TO INDIANS TO SETTLE IN THE ANDAMANS.

888. **\*Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

- (a) whether Indians are permitted to go and settle in the Andamans freely and colonise the country;
- (b) if so, whether Government have any particular scheme for such colonisation; and
- (c) if not, will Government allow Indians to go and colonise the Andamans freely? If not, why not?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) I would refer the Honourable Member to the Home Department Resolution No. F-20/26-Jails, dated the 27th February, 1926, in which full particulars of the Colonization Scheme are given.

(c) Does not arise.

#### REPORT OF THE TELEGRAPH ESTABLISHMENT ENQUIRY COMMITTEE.

889. **\*Mr. Nabakumar Sing Dudhoria:** Will Government please state:

- (a) (i) when the Telegraph Establishment Enquiry Committee will submit its report to Government, and (ii) the date from which effect will be given to the same; and

- (b) whether it is a fact that, according to the Director-General's Special General Circular, No. 44, dated the 28th January, 1933, retrenchment concessions will cease after 31st March, 1933 so far as the Posts and Telegraphs staff is concerned;
- (c) if the reply to part (b) be in the affirmative, whether Government propose to extend the period of retrenchment concessions to those who are likely to be affected as a result of the report of the Telegraph Establishment Enquiry Committee; if not, why not?

**Sir Thomas Ryan:** (a) The report has been received by Government. It has not yet been possible to study it, and it cannot yet be stated how soon it will be found possible to give effect to the Committee's recommendations.

(b) and (c). The question of extending the concessions beyond the 31st March, 1933, in respect of the Posts and Telegraphs Department is under examination.

#### SCHEME FOR REORGANISATION OF THE POSTS AND TELEGRAPHS DEPARTMENT.

890. **\*Mr. Nabakumar Sing Dudhoria:** Will Government be pleased to state if the scheme of Government for any reorganisation of the Posts and Telegraphs Department as a result of the report of the Telegraph Establishment Enquiry Committee will (a) be discussed with the representative organisations of the service and also (b) be placed before the House for examination of the far reaching result of the same? If not, why not?

**Sir Thomas Ryan:** It is hoped that the report of the Committee will be available in print next month, and representative telegraph service organisations will then be given an opportunity of studying it and discussing its recommendations. Government, however, do not propose to place the Report before this House for discussion in view of its technical and departmental character.

#### PAUCITY OF MUSLIMS IN THE LEGISLATIVE DEPARTMENT.

891. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that the communal composition of the clerical staff of the Legislative Department in 1931 was as follows:

|                                       | Per cent. |
|---------------------------------------|-----------|
| Hindus . . . . .                      | 58.49     |
| Muslims . . . . .                     | 11.32     |
| Anglo-Indians and Europeans . . . . . | 26.41     |
| Sikhs . . . . .                       | 1.89      |
| Indian Christians . . . . .           | 1.89 ?    |

(b) Will Government kindly state how many permanent vacancies or vacancies which subsequently became permanent, in each of the following posts, in each year separately, occurred since 1926—the year in which the Home Department memorandum regarding the representation of minority communities was issued—and how many were filled by (i) Hindus, (ii) Muslims, (iii) Anglo-Indians and Europeans, and (iv) others:

- (1) Superintendents, (2) Council Reporters, (3) Upper Division Clerks, (4) Second Division Clerks, (5) Routine Division Clerks, and (6) Stenographers?

(c) Is it a fact that the percentage of Muslims in this Department is lower than in any other Department of the Government of India (Secretariat proper only)?

**Mr. D. G. Mitchell:** (a) Yes.

(b) A statement giving the information desired is laid on the table.

(c) I have reason to believe that the answer is in the negative.

*Statement showing the number of permanent vacancies which occurred in the clerical establishment of the Legislative Department from 1926 to 1932 and the communities to which the candidates recruited to fill those vacancies belonged.*

| Year. | No. of vacancies which occurred in the grade of -- |                    |                            |                         |                          |                |             | Communities to which the candidates recruited belonged. |          |                              |        |                    |                    | Remarks.                                                                                                                                                                                                                              |
|-------|----------------------------------------------------|--------------------|----------------------------|-------------------------|--------------------------|----------------|-------------|---------------------------------------------------------|----------|------------------------------|--------|--------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       | Superintendents.                                   | Council Reporters. | Upper Division Assistants. | Second Division Clerks. | Routine Division Clerks. | Stenographers. | Translator. | Hindus.                                                 | Muslims. | Anglo-Indians and Europeans. | Sikhs. | Indian Christians. | Other communities. |                                                                                                                                                                                                                                       |
| 1926  | ..                                                 | ..                 | ..                         | 1                       | ..                       | ..             | ..          | 1                                                       | ..       | ..                           | ..     | ..                 | ..                 | Two of the Upper Division vacancies were filled by the direct recruitment of one Hindu and one Muslim. The remaining six were filled by promotion in the office and the outsiders recruited were to the Second and Routine Divisions. |
| 1927  | ..                                                 | ..                 | 2                          | ..                      | ..                       | ..             | ..          | 1                                                       | ..       | 1                            | ..     | ..                 | ..                 |                                                                                                                                                                                                                                       |
| 1928  | ..                                                 | ..                 | ..                         | ..                      | ..                       | ..             | ..          | ..                                                      | ..       | ..                           | ..     | ..                 | ..                 |                                                                                                                                                                                                                                       |
| 1929  | ..                                                 | ..                 | 4                          | 5                       | ..                       | ..             | ..          | 6                                                       | 2        | ..                           | 1      | ..                 | ..                 |                                                                                                                                                                                                                                       |
| 1930  | ..                                                 | ..                 | 2                          | ..                      | ..                       | ..             | ..          | 1                                                       | ..       | 1                            | ..     | ..                 | ..                 |                                                                                                                                                                                                                                       |
| 1931  | ..                                                 | ..                 | ..                         | ..                      | ..                       | ..             | ..          | ..                                                      | ..       | ..                           | ..     | ..                 | ..                 | The vacancies of Superintendents were filled by the promotion of Assistants in the office and the posts left vacant were abolished.                                                                                                   |
| 1932  | 2                                                  | ..                 | ..                         | 1                       | ..                       | ..             | 1           | ..                                                      | 1        | ..                           | ..     | 1                  | ..                 |                                                                                                                                                                                                                                       |

**Mr. Amar Nath Dutt:** May I know, Sir, how the Government arrive at a percentage of the different communities to be appointed in the State service, whether according to the percentage of the educated population or according to the whole population of a community, educated or uneducated of a particular province? I would like to know the principle on which this communal representation in the services is made?

**Mr. D. G. Mitchell:** I must have notice of that question.

**Sardar Sant Singh:** May I ask, Sir, if any effort has been made to employ any Sikh in the Upper Division of the Legislative Department?

**Mr. D. G. Mitchell:** I am not aware of any Sikh being recently appointed in the Legislative Department.

**Mr. Amar Nath Dutt:** May I know whether the Government think that such communal representation in the services is detrimental to nationalism? If it is so, are they prepared to do away with all communal representation and make appointments in various services on national lines and not on communal lines?

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state if there is a fixed policy of the Government with regard to this communal proportion or whether it is done at random?

**The Honourable Sir Harry Haig:** There is, as the Honourable House is well aware, a fixed principle about this and orders have been issued by the Home Department in accordance with which recruitment is made to the various Departments and offices under the Government of India.

**Sir Muhammad Yakub:** Will the Government be pleased to state what is communalism and what is nationalism in India?

**The Honourable Sir Harry Haig:** A definition of that sort ought perhaps to be given by my Honourable colleague, the Law Member. I feel out of my depth.

**Mr. H. P. Mody:** Would it not be a better system to appoint men in the Legislative Department according to the proportion of the various communities in this House?

**The Honourable Sir Harry Haig:** That is not the system that we have adopted in the case of other Departments.

**Sir Muhammad Yakub:** Will the Government adopt the system that the larger the number of questions put by the members of any community in the Assembly, the greater the patronage to be shown to the members of that community? In other words, appointments will be made according to the number of questions put by the members of various communities in this House?

**Mr. Amar Nath Dutt:** May I know whether the Government intend to foster communalism or nationalism in the matter of distributing appointments?

**The Honourable Sir Harry Haig:** I would remind the House of what has been said very often before, that before we laid down these rules for the distribution of recruitment among various communities, there were very bitter complaints by the minority communities that the system, which some of my Honourable friends opposite describe as a nationalistic system, was yielding very unfair results.

**Mr. H. P. Mody:** Can the Honourable Member think of any system which would make it possible occasionally for a Parsee to creep into the Government service at Headquarters?

**The Honourable Sir Harry Haig:** The Parsees, Sir, are one of the fortunate minorities which require no protection.

**Mr. Amar Nath Dutt:** May I know, Sir, whether the Government are prepared to sacrifice efficiency in order to make appointments on communal basis?

**The Honourable Sir Harry Haig:** No, Sir. They insist that there should be a minimum of efficiency, but they do think that it is important on broad general grounds that the services should not become the monopoly of any particular community.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state that as that bitter complaint has now been reduced, rules should be modified or at any rate, revised in such a manner that, as there is no bitter complaint, appointments should not be made on a communal basis?

**The Honourable Sir Harry Haig:** I am afraid I did not quite follow the purport of my Honourable friend's question. It appeared to be that as our existing rules have removed the complaint which they were designed to remove, therefore the rules should be changed. I do not quite follow the argument.

**Mr. Lalchand Navalrai:** I will explain to the Honourable Member. Now that there is a desire amongst the Muslims also that there should be recruitment by competition and that there have been actually applications to that effect, as I know personally, has not the time come when this system of communal representation should be changed?

**The Honourable Sir Harry Haig:** When the community itself declares that it no longer requires any protection, we shall be very glad to alter our rules.

**Sir Cowasji Jehangir:** May I ask the Honourable Member, whether, in the opinion of Government, these questions tend to create good feelings between the different communities in this country?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That is asking for an expression of opinion which is not permitted.

**Mr. Gaya Prasad Singh:** Do Government consider the desirability of employing more largely the members of that community from which they receive votes in the Legislative Assembly during divisions?

**The Honourable Sir Harry Haig:** No, Sir, that is not the principle. As I have explained, before these rules were introduced, the minority communities, and particularly the very large and important Muslim community, were not getting what we should regard as a fair share in the services of the country.

**Mr. Gaya Prasad Singh:** By minority communities, do I understand that minorities like Parsees, Sikhs, Indian Christians and Buddhists are also to be included?

**The Honourable Sir Harry Haig:** The other communities are certainly considered wherever it appears that they also require some protection.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state if the Hindus in Sind are a minority or a majority?

**The Honourable Sir Harry Haig:** I think the Honourable Member had already addressed a question on that subject to me some weeks ago, and I was able to give him an answer which, I hope, satisfied him.

**Bhai Parma Nand:** The Honourable Member said that there are certain services in which the minorities were treated unfairly. Are there not other kinds of services, the army and the police for example, where the minority community, i.e., Muslims, predominate, and Hindus are treated very unfairly?

**The Honourable Sir Harry Haig:** No, Sir; I do not think that is the case. I am afraid, I cannot answer for the army, but in the police, I do not think it can be said that Hindus are treated in any way unfairly?

**Sardar Sant Singh:** Are Government prepared to lay on the table the different proportions fixed for each Department of Government for the various communities?

**The Honourable Sir Harry Haig:** Government did not fix a special proportion for each Department. The Government orders are of a general character. They have been laid on the table of the House and they are, I think, at present in the Library. We have repeatedly referred to those orders and I think Honourable Members who take an interest in this question must be fully aware of what the orders are.

**Mr. Amar Nath Dutt:** Is it a fact that real minority communities like Parsees and Anglo-Indians have never pressed for communal representation?

**The Honourable Sir Harry Haig:** The Parsees, I think, stand by themselves in a particularly fortunate position, but I do not think it is accurate to say that the Anglo-Indians have never asked for consideration.

**Lieut.-Colonel Sir Henry Gidney:** In view of the Honourable Member's reply to my friend, Mr. Mody, that the Parsee community requires no protection, will the Honourable Member state whether it is not a fact that the cotton and Mody element of that community does certainly require protection? (Laughter.)

## PAUCITY OF MUSLIMS IN THE LEGISLATIVE DEPARTMENT.

892. \***Mr. M. Maswood Ahmad:** (a) Is it a fact that one Anglo-Indian (Mr. Ollenbach) was recruited in 1927 and confirmed in 1929 and another Anglo-Indian (Mr. Ayo) was recruited and confirmed in 1930 in the Legislative Department? If so, what are the academic qualifications of these Anglo-Indians? Have they qualified themselves at the Public Service Commission examination? Were no Muslims of the requisite qualifications available?

(b) Is it also a fact that these two persons were holding permanent appointments in other Departments under Government? If so, what was the special necessity of bringing them into the Legislative Department?

(c) Will Government please state whether these two persons were recruited through the Public Service Commission? If not, why was it done? Are Government aware of the definite orders of the Home Department, viz., to recruit men only through the Public Service Commission? If so, why were the orders not obeyed in recruiting these two persons?

(d) Will Government please lay a copy of the establishment seniority list of the Legislative Department on the table of the House or at least place it in the Library? If not, why not?

(e) What steps do Government propose to take to ensure that the claims of the Muslims are not neglected in future when vacancies in the Legislative Department occur?

**Mr. D. G. Mitchell:** (a) Yes. Mr. Ollenbach had passed the Senior Cambridge and Mr. Ayo the Middle School Examination. Mr. Ollenbach had qualified at the Staff Selection Board Examination corresponding with the present Public Service Commission Examination, while Mr. Ayo who had not so qualified was recruited with the concurrence of the Commission by reason of his possession of the special qualifications required for the post for which he was appointed. There was no Muslim applicant for the post to which Mr. Ollenbach was appointed, while the Muslims applying for the other post were not so well-qualified for it as Mr. Ayo.

(b) Yes. The Department was anxious to secure a man with some previous experience of Government service for the post to which Mr. Ollenbach was appointed, while the qualifications required for the other post were most likely to be possessed by persons already employed in the Government Press.

(c) Mr. Ollenbach was appointed without reference to the Public Service Commission and Mr. Ayo with their concurrence. The Honourable Member is under a misapprehension if he supposes that the orders in force, when Mr. Ollenbach was appointed, prohibited the appointment without reference to the Public Service Commission of a person already in Government service who had passed the Staff Selection Board Examination.

(d) The document referred to is intended for official use only and I regret that I am unable to lay it on the table. The Honourable Member is referred to the answer given by Sir James Crerar to question No. 476, asked by Mr. Anwar-ul-Azim on the 5th March, 1930.

(e) The claims of Muslims are not neglected and no steps are required.

**Mr. M. Maswood Ahmad:** Will Government be pleased to state what is the confidential nature of that document mentioned in part (d)?

**Mr. D. G. Mitchell:** As I have already answered, it is published for official use only and general orders have already been passed that it should not be laid on the table of the House.

**Mr. M. Maswood Ahmad:** Are Government afraid that, if the list is open to inspection, the injustices which have been done and are being done to Muslims will become public, and that that is why they do not want to show the list?

**Mr. D. G. Mitchell:** No, Sir.

**Mr. Amar Nath Dutt:** May I know whether the answers given apply only to the Legislative Department or do they include the Legislative Assembly Department also?

**Mr. D. G. Mitchell:** I am able to answer for the Legislative Department only. With regard to the general question, I am not in a position to say anything.

**Mr. M. Maswood Ahmad:** As we find daily that Muslims are superseded, what is the source from which we may know whether the Muslims are senior or junior?

**Mr. D. G. Mitchell:** I think the Honourable Member has shown that he is not entirely unable to get the information.

**Mr. M. Maswood Ahmad:** Why is the list of service not published? What is the point in keeping it back from the public?

**Mr. D. G. Mitchell:** It is a general order, and I am unable to give any reasons for it. I can only obey the order.

**Mr. M. Maswood Ahmad:** Whose order is it? Is it a departmental order?

**Mr. D. G. Mitchell:** It is a Government of India order.

**Mr. M. Maswood Ahmad:** Can we see this list in the Department?

**Mr. D. G. Mitchell:** No, Sir.

**Mr. O. C. Biswas:** Is there any presumption that any Muslim employee, about whom any questions may be put in the Assembly, must be "senior"?

**Mr. M. Maswood Ahmad:** Is it a fact that Mr. Ayo was exempted from the Public Service Commission examination?

**Mr. D. G. Mitchell:** I think, Sir, I have covered all the facts which the Honourable Member wishes to know.

**Mr. Amar Nath Dutt:** May I ask a question of the questioner himself? Does he wish that British rule should be substituted by Muslim rule?

## SUPPLY OF ELECTRIC LIGHT IN "E" TYPE QUARTERS IN TIMARPUR, DELHI.

893. \*Mr. B. N. Misra (on behalf of Rao Bahadur M. C. Rajah): (a) Will Government be pleased to state whether it is a fact that:

- (i) Government servants occupying Government quarters in Timarpur or New Delhi have to pay a uniform rate of rent at 10 per cent. of their pay; and
- (ii) Government employees who occupy the "E" type quarters in New Delhi have the benefit of electric installations in their quarters, while those occupying a similar type of quarters in Old Delhi have not got electric installations in their quarters though they pay rent at the same rate as those in New Delhi?

(b) If the answer to the above be in the affirmative, will Government kindly state whether they propose to make arrangements for the supply of electric light to Government servants occupying the "E" type quarters at Old Delhi? If not, why not?

**The Honourable Sir Frank Noyce:** (a) (i) No. A Government servant occupying Government quarters is liable to pay the standard rent of the quarters subject to a limit of 10 per cent. of his emoluments.

(ii) E-type quarters in New Delhi have electric light, while E-type quarters in Old Delhi have not. But the standard rent of the former is Rs. 16, while that of the latter is only Rs. 5-12-0.

(b) This hardly arises, but I may say that Government are not at present prepared to incur expenditure on installing electric light in the E-type quarters at Timarpur.

## WATER SUPPLY IN ORTHODOX QUARTERS IN TIMARPUR, DELHI.

894. \*Mr. B. N. Misra (on behalf of Rao Bahadur M. C. Rajah): (a) Will Government be pleased to state whether it is a fact that:

- (i) Government servants occupying orthodox quarters in New Delhi pay water tax at the rate of Rs. 1-8-0 per tap and -/8/- for every additional tap provided in their quarters and the supply of water is for all the 24 hours of the day;
- (ii) Government servants occupying orthodox quarters in Timarpur have to pay Rs. 2-8-0 as water tax irrespective of the number of taps provided and the supply of water is for a limited number of hours only; and
- (iii) The Secretary, Notified Area Committee, and the Chief Commissioner, Delhi, paid no heed to the representation submitted by Government tenants against this differential treatment meted out to them?

(b) If the answer to the above be in the affirmative, will Government kindly state what action they propose to take in order to remove this anomaly in the water tax imposed on Government tenants?

**Mr. G. S. Bajpai:** (a) (i). Charges levied for the unmetered supply of filtered water in the various types of orthodox clerks quarters in New Delhi vary according to the type of quarter. The charge for the lowest class is Rs. 1/8/- per mensem plus -/8/- per mensem for each additional tap.

(a) (ii). The Honourable Member's information is correct. The number of hours to which the supply is restricted is ten.

(a) (iii) and (b). The representations received were placed before the Notified Area Committee, Civil Lines, Delhi, whom the matter primarily concerns, but the Committee found itself unable to do anything as the rates now charged hardly cover the price of water and the cost of maintenance.

## PROMOTIONS IN THE READING BRANCH OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

895. \*Mr. B. N. Misra (on behalf of Rao Bahadur M. C. Rajah): (a) Are Government aware that:

- (i) promotions in the Reading Branch of the Government of India Press, New Delhi, have been made from Copyholders and Revisers to Readers' posts sometimes by seniority in service and sometimes by competitive examinations; and
- (ii) the existing practice gives opportunities for favouritism?

(b) If the answer to the above be in the affirmative, will Government be pleased to state if they are prepared to issue orders to the effect that all future promotions in the Reading Branch of the Government of India Press to the First Readers' posts should be made alternately according to seniority in service and competitive examination, which will be open to all Revisers and Copy-holders alike?

**The Honourable Sir Frank Noyce:** (a) (i). Promotions in the Reading Branch of the Government of India Press, New Delhi, are usually made according to seniority, subject to the attainment of a standard of efficiency. Examinations are held when there is doubt as to the proficiency of the candidates.

(ii) No.

(b) The matter lies within the competence of the Controller of Printing and Stationery, and a copy of the Honourable Member's question and this answer will be sent to him for any action which he considers necessary.

## RECRUITMENT OF MEMBERS OF MINORITY COMMUNITIES IN THE NORTH WESTERN RAILWAY ACCOUNTS DEPARTMENT.

896. \*Bhai Parma Nand: (a) Is it a fact that all first clerical appointments in the Accounts Department under the administrative control of the Financial Commissioner, Railways, are to be made through competitive examination with due regard to communal proportion after the separation of Audit from Accounts?

(b) Is it a fact that members of minority communities were recruited from time to time by the North Western Railway Accounts Department after 1st April, 1929, otherwise than through recruitment examination?

(c) Is it a fact that an undertaking was taken from the men recruited otherwise than through the recruitment examination to the effect that they have no right for retention in service irrespective of the community to which they belong?



(d) If the reply be in the affirmative, will Government please state why the Muslims mentioned in part (c) above, have been retained although Hindus recruited through competitive examination have been discharged from service?

**Mr. P. R. Rau:** (a), (b) and (c). The reply is in the affirmative.

(d) I would invite attention to my reply to the similar question No. 656 asked by my Honourable friend on the 6th March, 1933.

**Mr. Lalchand Navalrai:** Will the Honourable Member please say, if the answer to (a) is in the affirmative, why was it that the competitive examination was done away with and these accountants are being recruited by selection or otherwise?

**Mr. P. R. Rau:** The competitive examination was for permanent recruits. The men referred to in clause (b) of the question were taken on as a temporary measure.

**Mr. Lalchand Navalrai:** I did not follow the Honourable Member with regard to clause (d). Is it a fact that the Hindus, who were recruited through competitive examination, had been discharged from services?

**Mr. P. R. Rau:** I drew attention to my reply given to a similar question on the 6th March, 1933, where I said that all the clerks who had passed this examination and had been retrenched have since been re-employed and the question does not now arise.

#### RAISING OF THE PROPORTION OF HINDUS ON THE NORTH WESTERN RAILWAY.

897. **\*Bhai Parma Nand:** Is it a fact that Muhammadan employees of the North Western Railway are in an overwhelming majority (*vide* statement below) as compared with Hindu employees? If so, will Government please state what measures have been or are being taken to raise the proportion of Hindus?

1931-32.

|                                | Hindus. | Muslims. | Total.   |
|--------------------------------|---------|----------|----------|
| Gazetted Officers . . . . .    | 67      | 20       | 259      |
| Non-gazetted officers. . . . . | 38,017  | 59,836   | 1,08,948 |

**Mr. P. R. Rau:** The figures given by the Honourable Member are, I believe, correct if in the term non-Gazetted Officers he includes all employees exclusive of gazetted officers. Government do not consider that these figures show that any measures are required to raise the proportion of Hindus.

#### INADEQUATE REPRESENTATION OF HINDUS IN THE EDUCATION DEPARTMENT, DELHI.

898. **\*Bhai Parma Nand:** (a) Is it a fact that previous to the appointment of Mr. Chatterjee, as Superintendent of Education for Delhi, Ajmer-Marwara and Central India, the Educational Commissioner with the Government of India, was working in the place of the present incumbent in addition to his own duties and was getting an allowance of Rs. 150 for this additional work?

(b) Will Government be pleased to inform this House as to what was the necessity for creating this new job and giving up the more economical arrangement?

(c) Is it a fact that the main work of the Superintendent is inspection of the schools? Had Mr. Chatterjee, the present incumbent, any experience in that line previous to his appointment and was there any protest lodged against the appointment?

(d) Is it a fact that there has been no Hindu clerk until a few months back when one Hindu clerk was recently recruited and there is no Hindu officer in the whole of the Delhi Educational Department?

(e) Are Government aware that there is a strong feeling of discontent among the Hindus of Delhi, that their community is not properly represented in the Educational Department of Delhi?

**Mr. G. S. Bajpai:** (a) The Educational Commissioner with the Government of India was put in charge of the duties of the Superintendent of Education, Delhi and Ajmer-Merwara, in addition to his own as a measure of economy and was given either a free house in Delhi or a compensatory allowance in lieu thereof for this additional work.

(b) The Honourable Member's attention is invited to the reply given in this House by the Honourable Sir Fazl-i-Husain on the 2nd February, 1931, to Lala Jagan Nath Aggarwal's starred question No. 260.

(c) The duty of the Superintendent of Education is to administer the Education Departments of Delhi, Ajmer-Merwara and Central India. Mr. Chatterjee's appointment was made on the advice of the Public Service Commission. Government did not receive any protest against the appointment.

(d) No, there are four permanent Hindu clerks and one temporary. Two out of the four officers of the District Inspecting staff as well as the Secretary, Board of Secondary Education, are Hindus.

(e) No.

**Mr. M. Maswood Ahmad:** Is it a fact that at that time the Educational Commissioner had to do a lot of educational work in the North-West Frontier Province, when its education was directly under the control of the Government of India, and that, since the introduction of reforms in the Province, the amount of work of the Educational Commissioner for that area has decreased a good deal?

**Mr. G. S. Bajpai:** No, Sir. The position is that even before the Reforms were introduced in the North-West Frontier Province, that province had its own Director of Public Instruction.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member kindly inform the House whether it is not a fact that the appointment of Mr. Chatterjee to this Ajmer-Merwara education administration was the outcome of dire necessity and that he was well qualified for this particular appointment?

**Mr. G. S. Bajpai:** As regards the necessity I have already referred the Honourable questioner to an answer which was given in this House two years ago. The necessity has been established not merely by the scrutiny

of the position by Government, but by the recommendation of two Special Committees, namely, by the Primary Education Committee and by the Hartog Committee, which was an auxiliary Committee on Education associated with the Simon Commission, and, as regards the fitness of Mr. Chatterjee, that again I have answered here by referring to the fact that the Public Service Commission were consulted and they recommended him out of 46 applicants.

**Mr. M. Maswood Ahmad:** Is it a fact that Mr. Wilson, Inspector of Schools, Ambala Division, was also a candidate for the post of the Superintendent of Education, and was he not a better qualified candidate than the present incumbent?

**Mr. G. S. Bajpai:** I have stated, Sir, that the Public Service Commission considered 46 applications and they put Mr. Chatterjee first. My Honourable friend may think that Mr. Wilson, assuming that he did apply, was superior, but my Honourable friend is also aware that the convention of the Government is to take the opinion of the Public Service Commission.

**Mr. M. Maswood Ahmad:** Is it a fact that Mr. Wilson did apply or not?

**Mr. G. S. Bajpai:** I regret, Sir, that it is not possible for me to carry in my head the names of 46 applicants who may have applied not direct to the Government, but to the Public Service Commission two years ago.

**Mr. M. Maswood Ahmad:** Are Government aware that a large number of questions have been put to Government in the last two years about the Educational Superintendent, Ajmer-Merwara and Delhi?

**Mr. G. S. Bajpai:** I can testify from my personal experience that the amount of time and labour that I have had to spend upon questions relating to this particular officer are not justified either by the character of his work or by the importance of the subject.

**Mr. Amar Nath Dutt:** Sir, are there not interested persons to ask more questions?

**Mr. G. S. Bajpai:** I am afraid, it is not my business to reflect upon the motives of individual Members who ask these questions.

**Dr. Ziauddin Ahmad:** Sir, I strongly object to the insinuation made by the Honourable Member, Mr. Amar Nath Dutt, who challenges the honesty of Members of this House. I should like to know if that is in order?

**Mr. Amar Nath Dutt:** There is no insinuation, Sir. Interested parties come to us and ask us to put questions on their behalf.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): A point of order has been raised by the Honourable Dr. Ziauddin Ahmad whether the question of the Honourable Mr. Amar Nath Dutt is in order. I did not see in the question of the Honourable Member that he was casting any insinuation upon any Honourable Member of this House.

## QUESTIONS AND ANSWERS

## POPULATION OF NEW DELHI.

899. **\*Bhai Parma Nand:** Is it a fact that in the annual report of 1931-32 of New Delhi Municipal Committee, the population of this Municipality is recorded as follows:

|                       |          |
|-----------------------|----------|
| Hindus . . . . .      | 46,710   |
| Muhammadans . . . . . | 12,111   |
| Christians . . . . .  | 3,541    |
| Others . . . . .      | 2,493    |
| Total . . . . .       | 64,855 ? |

**Mr. G. S. Bajpai:** Yes.

## NOMINATION OF HINDUS AS MEMBERS OF THE NEW DELHI MUNICIPAL COMMITTEE.

900. **\*Bhai Parma Nand:** (a) Is it a fact that in the New Delhi Municipal Committee non-official members have been nominated as follows:

- One European for Europeans who are about 2,500;
- One Muslim for Muhammadans in population of 12,111;
- One Sikh for Sikh population which is about 2,000;
- One Hindu for a Hindu population of 46,710?

(b) Will Government kindly explain why the proper number of Hindus has not been nominated in proportion to their number?

**Mr. G. S. Bajpai:** (a) and (b). The Municipality, which is an entirely nominated body, has not been constituted on the basis of the population of the different communities.

**Mr. Gaya Prasad Singh:** Is it the principle of nomination that the more the percentage of population of any community, the less their representation?

**Mr. G. S. Bajpai:** I confess that I cannot avail myself of the opportunity provided by this occasion to make a disquisition upon principles of nomination.

**Mr. Gaya Prasad Singh:** Will Government please explain why one European has been nominated for about 2,500 people only, whilst only one Hindu has been nominated for a Hindu population of 46,710 people?

**Mr. G. S. Bajpai:** I have stated, Sir, that nominations have not been on the basis of the population of different communities. The bulk of the property in New Delhi belongs to Government. The bulk of interest also belongs to Government, and, therefore, while we have a Committee on which the official interest predominates, we have at the same time associated with the Committee a number of private gentlemen to represent the interests of the non-official residents of Delhi as a whole.

# REDUCTION IN THE NUMBER OF INDIAN NON-OFFICIAL MEMBERS OF THE NEW DELHI MUNICIPAL COMMITTEE.

901. \***Bhai Parma Nand:** (a) Is it a fact that in the new constitution for the New Delhi Municipal Committee the number of Indian non-official members has been reduced from 5 to 3?

(b) Will Government kindly explain why in the present atmosphere of reforms this number has been reduced?

**Mr. G. S. Bajpai:** (a) and (b). The attention of the Honourable Member is invited to the reply given to part (c) of Mr. Gaya Prasad Singh's starred question No. 67 on the 6th September, 1932.

## APPOINTMENT OF HINDUS AS HONORARY MAGISTRATES IN NEW DELHI.

902. \***Bhai Parma Nand:** (a) Is it a fact that among the Honorary Magistrates of New Delhi, one is a Hindu, one is a Sikh and two are Muhammadans?

(b) Will Government kindly explain why a proper number of Hindu Magistrates is not appointed in proportion to their number in population?

**The Honourable Sir Harry Haig:** (a) There is at present in New Delhi a Bench of Honorary Magistrates consisting of one Sikh and two Muhammadans. There is in addition a Hindu Honorary Magistrate who sits singly and exercises second class powers.

(b) Government cannot accept the principle of appointment of Honorary Magistrates suggested by the Honourable Member.

## ALLOWANCES ALLOWED TO STATE PRISONER MR. BHAWANI SAHAI, DETAINED IN THE DELHI JAIL.

903. \***Mr. Gaya Prasad Singh:** (a) Will Government please state as to what allowance is allowed to Mr. Bhawani Sahai, a State Prisoner, detained in the Delhi Jail, under Regulation III of 1818?

(b) Is it a fact that the jail authorities are regularly deducting some amount from his pocket allowance which is Rs. 10 p. m., to cover the cost of warm clothes that were provided to him during this winter?

(c) Will Government please state the rules about the interviews allowed to the State Prisoners? How many interviews have so far been granted to Bhawani Sahai, since his detention in March, 1932?

(d) Is it a fact that he has been kept apart from other State Prisoners detained in the same jail under the same Regulation?

(e) Is it a fact that Mr. Bhawani Sahai is keeping indifferent health these days; if so, are Government aware that it is due at least partly to his being kept apart from other prisoners?

(f) Is it a fact that Mr. Bhawani Sahai is allowed to subscribe for the *Statesman* only?

**The Honourable Sir Harry Haig:** (a) The following allowances were sanctioned for the State Prisoners:

|                                                                               | Rs. | a. | p.          |
|-------------------------------------------------------------------------------|-----|----|-------------|
| 1. Dietary allowance . . . . .                                                | 0   | 12 | 0 per diem. |
| 2. Monthly allowance . . . . .                                                | 10  | 0  | 0           |
| 3. Lump sum on account of initial expenditure on necessary articles . . . . . | 60  | 0  | 0           |

(b) A special allowance of Rs. 56 for warm clothing was also sanctioned. Pending formal sanction, the cost was debited to his monthly allowance. The amount so debited is now being credited to his account.

(c) He is allowed one interview a week under the rules. No interview has so far been refused. His brother applied for an interview on four occasions and these were all sanctioned though he only interviewed him thrice.

(d) No. There were no other State Prisoners in the Delhi Jail.

(e) No. On the contrary he is keeping good health.

(f) The *Statesman* was the paper of his choice.

**Sir Muhammad Yakub:** Are Government aware that all these allowances which are given to State Prisoners encourage many unemployed educated Indian youths to become State Prisoners? (Laughter.)

**The Honourable Sir Harry Haig:** I think that is an exaggerated view.

**Sir Muhammad Yakub:** What is the real point of view, the unexaggerated point of view?

**The Honourable Sir Harry Haig:** I do not think that many people would compete for the post of a State Prisoner even on these terms.

## CUSTOMS DUTIES ON BARYTES.

904. \***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Will Government be pleased to state the number of barytes mines and their annual out-put from 1928 and the rate of barytes per ton in India?

(b) How much barytes is exported every year and to which countries?

(c) Is it a fact that barytes is being imported from foreign countries? If so, how much and from which countries?

(d) What are the custom duties levied on barytes per ton imported from outside?

(e) Are Government aware that Indian mine-owners are badly affected, owing to the new imports?

(f) Are Government prepared to consider the desirability of helping the Indian mine-owners by way of increasing the custom duties?

**The Honourable Sir Joseph Bhoré:** (a) and (c). I place on the table two statements giving the information as far as it is available.

(b) Exports of barytes are not separately recorded in the sea-borne trade returns and the information is not therefore available.

(d) The present rate of import duty is 25 per cent, *ad valorem*.

(e) No, Sir.

(f) Does not arise.

Statement showing number of Barytes mines which come under the Indian Mines Act, total annual production of barytes in India and the current market rate per ton.

| Year.          | No. of Barytes mines which come under the Indian Mines Act. | Total production in India. | Current market rate per ton.                                                                        |
|----------------|-------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------|
| (1)            | (2)                                                         | (3)                        | (4)                                                                                                 |
|                |                                                             | Cwts.                      |                                                                                                     |
| 1928 . . . . . | 6                                                           | 61,920                     | As this mineral is not quoted in any market report quotations for previous years are not available. |
| 1929 . . . . . | 7                                                           | 75,000                     |                                                                                                     |
| 1930 . . . . . | 15                                                          | 135,910                    |                                                                                                     |
| 1931 . . . . . | 4                                                           | 113,080                    | Current quotations so far as they can be ascertained are—                                           |
|                |                                                             |                            | for finely powdered pure white barytes Rs. 95 per ton.                                              |
|                |                                                             |                            | for pure white lump barytes Rs. 65 per ton.                                                         |
| 1932 . . . . . | Figures not avail ble.                                      |                            |                                                                                                     |

N. B.—The figures in column 3 relate to output from all Barytes mines in India including the Indian States. No figures are available regarding the total number of Barytes mines in India, but the numbers of such mines in British India coming under the Indian Mines Act are shown in column 2.

#### Imports of Barytes.

Statistics of imports of barytes with countries of origin for the five years ending 1931-32 are given on page 384 of Volume I of the Sea-borne Trade Accounts for the year ending 31st March, 1932, a copy of which is in the Library of the Legislature. Figures of imports during the ten months April, 1932, to January, 1933, were as follows:—

|                                   | Quantity. | Value. |
|-----------------------------------|-----------|--------|
|                                   | Cwts.     | Rs.    |
| From the United Kingdom . . . . . | 70        | 577    |
| „ Germany . . . . .               | 8,235     | 24,403 |
| „ the Netherlands . . . . .       | 3,539     | 8,255  |
| „ Belgium . . . . .               | 24,634    | 50,280 |
| „ Italy . . . . .                 | 513       | 1,878  |

#### INTRODUCTION OF THE ANTI-UNTOUCHABILITY AND TEMPLE ENTRY BILLS.

905. \*Pandit Ram Krishna Jha: (a) Has the attention of the Government been drawn to the Free Press message given in the *National Call* of March 10th, 1933, under the heading "Assembly President warned"?

(b) Is it a fact that the Honourable Sir Brojendra Mitter, Leader of the House, has received a telegram from Mr. Harkara of Poona to the effect:

"Pray prevent the inevitable prosecution of yourself and others under section 124 of the Government of India Act for disobeying Queen's Proclamation regarding religious oppression of Sanatanists, if you permit the introduction of the Anti-Untouchability and Temple Entry Bills"

or to any other effect?

(c) If so, what action do Government propose to take in this matter?

The Honourable Sir Brojendra Mitter: (a) I have seen the article.

(b) I received a wire to the effect mentioned.

(c) None.

#### PERCENTAGE OF THE ARMY BUDGET SPENT IN INDIA UNDER CERTAIN HEADS.

906. \*Mr. F. E. James: Will Government be pleased to state what percentage in round figures of the Army Budget (1932-33) is spent in India under the following heads: (a) Pay, (b) Equipment, (c) Stores and other supplies, (d) Rations, and (e) Munitions of war?

Mr. G. R. F. Tottenham: I am afraid I cannot give figures in the precise form in which the Honourable Member has asked for them, but I invite his attention to the statement on page 4 of the Budget Estimates for 1932-33, which shows under each main head the total gross expenditure and the distribution of that total between India and England.

The corresponding table on page 4 of the 1933-34 estimates has recently been analysed for another purpose and I hope before long to be able to communicate the results of this analysis to Honourable Members. Meanwhile the following broad facts may be of interest to the House.

The total gross allotment from current revenue for the maintenance of the Army, the Air Force and the Royal Indian Marine is roughly Rs. 49½ crores, of which about 77 per cent. is allotted for expenditure in India and 23 per cent. for expenditure in England. Of this 23 per cent., i.e., roughly Rs. 11½ crores, by far the largest item is pensions, which account for about 5 crores, and only about 1 crore goes on the purchase of articles and raw materials which are not made, stocked or produced in India. The main items are 23½ lakhs for aeroplanes and aviation stores, 20 lakhs for ordnance stores such as certain machine guns and optical stores, and 11½ lakhs for medical stores and instruments. The Army factories in India are now able to produce practically all our requirements in the way of guns, rifles and ammunition.

The total allotment for pay and allowances comes to about Rs. 25½ crores, of which only 8 per cent. or about 2 crores is for expenditure in England on leave pay, etc. It is difficult to say definitely how much of

the pay disbursed in India is actually spent in India, but from such calculations as we have been able to make it would probably be safe to assume that not more than Rs. 1½ crores leave India in the form of remittances for educational and other purposes, and that the balance of Rs. 22½ crores is finally spent in India.

The net result of these statistics is that not less than Rs. 37½ crores, out of a total Rs. 49½ crores, is actually spent in India.

**Mr. Gaya Prasad Singh:** I did not quite catch what the Honourable Member said as to the amount spent on military aeroplanes in India.

**Mr. G. R. F. Tottenham:** I explained that one crore goes on expenditure on stores and other articles in England and, out of that one crore, about 23½ lakhs go on aeroplanes and aviation stores which are manufactured in England.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House whether the total military estimate of 47 and odd crores includes in it the expenditure on armed police, the Irregular Levy Corps and the military *cum* political item of expenditure?

**Mr. G. R. F. Tottenham:** No, Sir.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House the approximate total of that expenditure?

**Mr. G. R. F. Tottenham:** I must ask for notice.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House in the military expenditure what is the proportion between expenditure on Headquarters Commands including the upper and lower commands, and the other personnel of the Army?

**Mr. G. R. F. Tottenham:** I am afraid I shall require notice of that question also. I do not carry the figures in my head.

#### STATEMENTS LAID ON THE TABLE.

**Mr. H. A. F. Metcalfe** (Foreign Secretary): Sir, I lay on the table statements\* showing the retrenchments effected in the expenditure under the control of the Foreign and Political Department.

#### THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

**The Honourable Sir George Schuster** (Finance Member): Sir, I beg to move . . . . .

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): I rise to a point of order, Sir. So far as we understood from the Leader of the House, the consideration of the Finance Bill was to be continued

\*Not printed in these debates, but a few copies have been placed in the Library of the House.

and then the Salt Bill was to be taken up. This is the second time that Government, by some of their own Bills, have cut up the discussion on the Finance Bill. So far as this side of the House understood him, I repeat that the Leader of the House stated that the Salt Bill would be taken after the Finance Bill was finished.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): It was only yesterday that they said so: they are altering the agenda every day.

**The Honourable Sir Brojendra Mitter** (Leader of the House): So far as my recollection goes, the order of business for the day is in strict accordance with what I stated on a previous occasion.

**Mr. S. C. Mitra:** Will the Honourable Member please refer to yesterday's agenda? Mr. President, it is very difficult even to follow the agenda. Every day it is said "Consideration of any business entered in the List of Business for the previous day" and then, if we refer to the previous day's agenda, it says the same thing and it is altogether very difficult to follow the procedure. But I think I am right when I say that yesterday the programme was that after the Finance Bill was finished the Salt Bill was to come on. Now, again, another Bill intervenes before the Finance Bill goes to vote: if the Government want that before the 31st March the Finance Bill and the Salt Bill should both be finished, then what is the reason for again altering the agenda and putting the Non-Official Members in a very difficult position?

**Mr. Gaya Prasad Singh** (Muzaffarpur & Champaran: Non-Muhammadan Rural): It is rather unfair.

**The Honourable Sir Brojendra Mitter:** So far as the Finance Bill is concerned, it is not necessary that it should be passed before the 31st March, but so far as the Salt Bill is concerned, it is necessary.

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): But in any case it will tend to the greater convenience of Members of the House if the discussion is continued from day to day until it is finished. I should think there is no difficulty in finishing the Salt Bill before the 31st March. I do not think the Government will experience any difficulty whatsoever.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Sir, I was also under the impression that the Salt Bill would not come up 12 Noon today, and I am informed that many of the Honourable Members have not even brought with them the literature on the subject. I am myself not prepared for the Salt Bill discussion today, and, therefore, I feel that if the Salt Bill is taken up for discussion today, it will be very unfair to this side of the House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Now that the attention of the Chair has been drawn to this question, the Chair realises the importance of preparing the Agenda in a manner that will not unduly cause inconvenience to Honourable Members of this House,

[Mr. President.]

especially on the non-official side. No doubt, on days set apart for official business, the Governor General in Council has the fullest discretion to set down on the Order Paper the business which they consider to be the most important, but, at the same time, the Chair would insist that, in exercise of that discretion, the Government should not cause any inconvenience to Non-Official Members of this House.

So far as the difficulty pointed out for today is concerned the attention of the Chair has been drawn to the fact that the Agenda for today was made available to Honourable Members on the 21st of March, that is, the day before yesterday, and, in that Agenda Paper, the legislative business has been put down to include the consideration of the salt duty as the first item. Therefore, if Honourable Members had looked into the Agenda Paper, which was made available to them two days back, they would have realised that today the first item on the legislative business would be the consideration of the Salt Additional Import Duty (extending) Bill; so, at least for today it does not appear to the Chair that there is any just cause for complaint. But the Chair would, at the same time, suggest to Government that it would require very strong reasons to cut short the discussion of a Bill in the middle and go on to another Bill. If it was found that it was necessary to finish the Finance Bill before the 31st of March, then it would have on the whole been better if the Salt Bill had been put down on the agenda yesterday, and, after finishing it, to take the Finance Bill. In any case, the Chair can certainly assure Honourable Members that it will see that undue inconvenience is not caused to Honourable Members.

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

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration."

Sir, as the Member in charge who is responsible both for the Finance Bill and for the Salt Bill, I must say that I personally agree very strongly with what you have just said, and I should have much preferred to continue the discussion of the Finance Bill until it was concluded, and not to have inserted this Salt Bill to interrupt the Finance Bill proceedings. But the opinion on the Government side was that there was a reasonable chance that the other two small Tariff Bills would be got through quite quickly and that there might be time to get the Finance Bill through before this Salt Bill was taken up. As regards the Honourable Members who complained that they had come unprepared for this discussion, I trust that they will not suffer any very great inconvenience in the matter, for, Sir, the House is already very familiar with the whole position which is involved in this measure. It has already been fully discussed on two previous occasions, and, I think, I am entitled to say in this particular case, more perhaps than any other, that the House ought to be familiar with the position, because in this case Government's whole line and purpose has been to be guided, as far as possible, by the advice and the wishes of the representatives of the public who sit in the Legislature. This perhaps more than any other measure I might describe as one which has been sponsored by the Government with the desire to act in a manner responsive to the wishes of the majority of the Legislature.

Now, Sir, in the discussion of the matter with the representatives of the public, it is of course the case that the discussion has chiefly taken place at the meetings of the Committee appointed by this Assembly, and I think that the Report which has now been presented takes any one who cares to read it very clearly through the course of those discussions. I think all Honourable Members would agree that the Report sets out very fairly the considerations on either side. The Report reveals certain differences of opinion, and perhaps I may say that if there is one point on which there is general agreement, it is this, that the choice of the right course in this particular matter is one of very great complexity and difficulty. In fact, it is fair to say that the choice is only easy for those stalwart individuals like my friend, Mr. Biswas, and possibly my friend, Mr. Morgan, who are in the happy position of being able to look at it from one side only, who are able to feel that their duty is done if they have represented the interests of the consumers in Bengal or in Bihar and Orissa and Assam, the two other provinces that consume imported salt of this kind. I think further that I may say that those who are in that position and think the matter an easy one are also to some extent limited as regards time in their vision, for they are looking at the matter solely from the point of view of present conditions, and perhaps—to put it, I think, not unfairly—without due regard to possible developments in the future. The rest of us who cannot take this limited and one-sided view have felt that we cannot ignore in the first place that the origin of this whole policy, which started with the inauguration of the Tariff Board Inquiry, was a very strongly expressed public feeling that India ought to be made self-supporting as regards salt. We cannot ignore in the second place that the Tariff Board reported that it would be definitely in the national interest of India if the inland sources of supply could be developed, and they further reported that if the price of salt was stabilised at a reasonable level, then the object of making India self-supporting in this way could be achieved without, in the long run, putting any undue burden on the consumer. And, lastly, those of us who have felt it necessary to take a more comprehensive view have been bound to feel that although the course of events since the Tariff Board originally reported has been such as to make it necessary to question some of the premises on which their conclusions were based, nevertheless we cannot ignore that the policy hitherto followed has created certain conditions, of which we must now take account. On the whole, in a very difficult situation I think that the plan which has been recommended by the Committee of this Assembly represents a very fair compromise between the various conflicting considerations, and I put it forward myself with great confidence as representing the best course which can be taken at the present moment. I have no doubt that it will be attacked from certain quarters and that, in due course, I shall hear heavy guns opening to my front and on my right flank, but I propose to wait until those batteries have disclosed their position before I attempt myself to knock them out. Apart from that, I shall listen with very great interest to the course of this debate, for, as I stated at the outset, our whole desire in this matter is to give effect to the general desire of the Indian public. I do not think it is necessary for me to take the House through the actual words of this Report and I could not find words to state the case better than those which form the substance of this Report. I, therefore, do not propose to say anything more at present. Sir, I move.



**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration."

**Mr. G. Morgan** (Bengal; European): The guns on the right flank are now going to be unmasked.

**Lieut.-Colonel Sir Henry Gidney** (Nominated Non-Official): Have a barrage.

**Mr. G. Morgan**: It is a most unfortunate thing that one is always getting on one's feet to protect Bengal, but I feel happier today, because during the debate yesterday my Honourable friends on my right said that they would have every sympathy with any case put up by Bengal which they considered worthy of attention. In opposing the motion put forward by the Honourable the Finance Member, I claim in this particular matter that Bengal has a very strong case.

This import duty on foreign salt only applies really to Bengal, Bihar and Orissa, and Assam. It is not a question of putting a duty on foreign salt which is imported for the consumption of the whole of India. Sir, the story goes over the last two years, and as the Honourable the Finance Member will acknowledge, I have strenuously fought against this import duty from the very commencement. I pointed out the various difficulties that would arise, and today, if my Honourable friends will read the report of the Assembly Committee, they will find that these difficulties have been intensified and have become very real. Now, Sir, in paragraph 5 of the report it is said:

"..... we do not think that it is by any means established that that burden has been fully equivalent to the sum produced by applying the rate of the additional import duty to the total quantity of salt consumed by them."

But we hold that it is a burden for the actual quantity of salt which is imported from the duty free ports, and I think that that claim can be established. Considering the price at which salt is sold in Calcutta, any Honourable Member can see that for a certain proportion which comes from the duty free ports, we do have to pay more than we consider necessary, taking the market rates into consideration. The Bengal and Bihar and Orissa Governments have stated their cases very fully and very clearly. They have definitely stated with reference to the question of a stabilised price that they are quite prepared to take the risks of a fluctuation in price. They are not at all frightened by any combine or the possibility of prices being raised against them, for anything more than a very limited time. As you will see from the report, the Government themselves seriously considered the question of a complete abandonment of the policy originally undertaken, and discontinuance of the additional import duty. That shows that Government were not at all certain of the position, and they have made it doubly so with regard to the manufacturers' position. So far as the Indian manufacturers are concerned—the quantity which the manufacturers on the sea-board of India can supply is not likely to be a quantity sufficient to supply the needs of Bengal. The standard of quality laid down by the Tariff Board was Indo-Aden fine salt standard, and, from the last two years production, we can see that the

quantity of that salt from indigenous places would be very far below the 550,000 or 560,000 tons required for Bengal. Then the question comes up about Aden. There is a remark in paragraph 10 of the report, and, if I remember rightly, the British Government are still considering what the position of Aden will be under the new Constitution Act. At the present moment, it is being treated as part of India, and, so far as this Bill is concerned, it must continue to be so. The position with regard to Khewra is one which I have always pointed out would not bear out, on the face of it, the view that the Government of India had as to the possibility of Khewra being able to supply the Bengal market. I do not think I need say any more about Khewra, because it has not been tested and I am perfectly certain that unless you give it the benefit of a rate of freight which would be out of all proportion to the freight for carrying other produce in India, Khewra will never be able to compete in the Bengal market.

Sir, I do not want to detain the House by making any further remarks. But I do hold that Bengal's case for the abolition of the duty is a very strong one and I look for sympathy from my Honourable friends on my right who put forward such a strong case on the Wheat Duty Bill. Sir, I oppose the Bill.

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I oppose the motion, and, in doing so, I will say something about the history of this Bill. First of all, in 1924-25, on a recommendation of the Indian Cess Enquiry Committee, this matter began and the Government of India consulted the Central Board of Revenue on the question whether they should make a reference to the Tariff Board. I am only briefly relating the history of the matter so that the time of the House may not be wasted. Then, Sir, the Central Board of Revenue made an inquiry and concluded that there was no *prima facie* case for such reference and the Government of India also concurred in this finding, but, in 1929, the Government of India referred this matter to the Tariff Board and the Tariff Board submitted its report. Some of the findings of the Tariff Board on the subject are in paragraph 15. They say that, in the existing circumstances, any attempt to determine the normal price of imported salt would manifestly be fruitless. Further, in paragraph 65, they have dealt with the protective duty and the protection of salt. This is a very important paragraph in this report. It says:

"From the economic point of view, there is no case for protection in the proper sense of the term so far as Indian sea borne salt is concerned."

Further, they say:

"The salt works at Aden have for many years faced foreign competition unaided, and, since we have found that these works form part of the Indian industry, no claim, for protection of the industry as a whole can be substantiated."

Again, they say:

"Further, even if the works at Aden are excluded from consideration and the salt manufactured at Karachi and Okha is regarded as a nascent industry assisted on a strictly economic ground, this cannot be justified."

They then say:

"These works on the whole possess no advantage over works situated on the Red Sea coast in respect of natural facilities for the production of salt including freight and, in consequence, no economy could ultimately be expected in the case of salt to the consumer in Bengal such as would justify the case for protection on ordinary economic grounds."

[Mr. M. Maswood Ahmad.]

Two more sentences I will quote:

"Moreover it has not been proved to our satisfaction that they could ever face competition unaided save in respect of a small proportion of the possible output. Consequently, the position contemplated by the Fiscal Commission in which internal competition will eventually so reduce the price below the level of imported salt as to compensate the consumer for the sacrifices incurred during the period of protection is not likely to be established."

In paragraph 69, they say:

"The case for the imposition of a protective duty cannot be sustained, but, in spite of these findings and in spite of these remarks, they recommended that Government should at once assume control over imported salt."

Then Government asked the Legislature and a Committee was formed, and, on the strength of its recommendation, the salt Additional Import Duty Bill was almost immediately introduced in the Legislative Assembly. The provinces of Bengal, Bihar and Orissa and Assam, which were to be penalised so heavily, were not consulted. The result was that, on account of this additional duty, the price of salt went high by 25 per cent. and Bihar and Orissa, which was consuming about 41 lakhs of maunds per annum, paid 11½ lakhs more for their salt. The result was that, by this increase, the whole rate on salt was raised by 25 per cent. and now, by this Act, though it has been reduced to 2½ annas, the result will be that Bihar will pay about six lakhs 41 thousand more if Bihar will consume the same amount of 41 lakhs of maunds of salt. About Bengal the Tariff Board have themselves pointed out that an export duty of even two annas would result in an additional burden of nearly 20 lakhs of rupees on Bengal consumers.

Now, Sir, I am always opposed to the protective duties, but here the case is quite different. This is not even a protective duty. Apart from the opinion of the Tariff Board, the Committee appointed by the Legislature say:

"Although we have always made it clear that the additional duty which we recommended was not to be regarded as a protective duty in the ordinary sense."

The Committee itself was of opinion that this taxation was not in an ordinary sense a protective duty. Further, the great trouble was that the Tariff Board, while coming to the fair selling price, said that this should be Rs. 66 per hundred maunds. They themselves did not give the data on which they came to this conclusion and the Committee itself have said on page 3 that the full material, upon which the Tariff Board fixed its fair selling price, has not been recorded and further they say that they had no data on which to criticise its correctness. That is the view of the Committee. Now, I will say that this is not a protective duty. This is only a Barra Sahib's *bakshish* to the millionaires who manufacture salt. When they say about fair selling price, may I ask one question of the Treasury Benches in that connection? Have they ever considered about the fair selling price of rice? The reply is: "No". The fair selling price is considered for all those things which are produced by millionaires, by men having millions of rupees in their pocket, but when the question comes of the fair selling price of rice, they never care. Bihar and Bengal lose very much in this connection. The attitude of the Government of India towards Bihar and Bengal is just like a step-mother. In the shape of jute export

duty, Bengal pays the Central Government, and a large amount of money is taken from Bengal. In the shape of additional salt duty, they want to take a large amount of money from Bihar and Bengal and Assam, and Government, sometimes in the garb of protection, and sometimes in other forms, impose these duties on us. They want to take more money from the public and they use these words. I know the feeling of Bihar, Chota Nagpur and Orissa.

Mr. B. Das (Orissa Division: Non-Muhammadan): Not all.

Mr. M. Maswood Ahmad: Well, up to now, I am the representative of the whole of Orissa. I have seen some letters in which our friends there have said that they absolutely oppose this additional duty on salt. They say that if Government want to help the industry and to protect the industry, the best course would be for Government to pay something in the shape of a bounty. Sir, if this industry is to be protected in the interest of the welfare of India, then the whole of India should pay something towards this. (Hear, hear.) Why should only Bihar, Bengal and Assam be asked to feed a particular industry? Further, Sir, you will find that the Bengal and the Bihar Governments have opposed this idea. In this report of the Salt Industry Committee they have said:

"The principal points made by the Provincial Governments' representatives who appeared before us are...."

and then they go on to mention certain things which I do not want to read out. Now, in conclusion the Committee says:

"We cannot agree on all points with the case thus stated by the provincial representatives."

Here I do not find any reason mentioned; I expected that clause by clause and part by part there would have been something mentioned as to why they do not agree, in spite of these findings, in spite of saying that this is not of a protective nature, and in spite of all these remarks they came to the conclusion and recommend four annas six pies as additional duty. The Committee here, in spite of this, have again come to the conclusion that it should be two annas and six pies for the next year. Sir, this is a most injurious measure for my part of the country and, therefore, we oppose the entire additional salt duty. Sir, you have heard much of the poor man's salt. I quite agree that everyone must pay towards the cost of administration, but the poor man nowadays pays in a higher ratio to what he earns in comparison with the ratio of the rich man's payments of tax to what they earn. Sir, with these words, I oppose this motion. (Applause.)

Mr. B. Das: Sir, I am surprised that my friend, Mr. Maswood Ahmad, who also represents the same constituency as I do, rather his constituency represents my constituency as also that of Patna, should say that the people of Orissa are opposed to any scheme of protection of salt. Sir, if my Honourable friend says that the salt duties should be abolished, I think the people of Orissa may agree with him, but as my friend knows, Government cannot at present abolish entirely the salt duty and that question we are not discussing at present. We are now discussing the question whether India can be self-supporting as regards her salt requirements, and whether India can manufacture her entire requirements of salt. I think India is in a

[Mr. B. Das.]

position to supply all her requirements of salt, and this has been not only the cry of those who are fighting here, but the cry of the Congress: and if the Congress wants the abolition of the salt duty and wants the manufacture of all the requirements of salt in India, the Congress wants also that there should be no imported salt from any foreign countries.

Now, what does the Assembly Select Committee ask for? They ask that by this present measure of protection, which has been reduced from four annas six pies to two annas and six pies, the salt industry engaged in certain parts in India and also the salt manufacturers in Madras and the Orissa coast will try to manufacture as much salt as they can, with the ultimate view in their minds that they will eventually supply the whole demand of salt for India. Of course, much of the previous calculations have gone wrong. Two years ago, the Salt Survey Committee reported that it was expected that Khewra would be able to develop its internal resources, so that Khewra could capture much of the Bengal market. I listened very attentively to my Honourable friend, Mr. Morgan, he knows it as much as I do that the Central Board of Revenue have purchased machinery and are trying to develop the resources of Khewra. But, up to now, they have not got the chance of developing it to their full capacity and the Committee was not in a position to say that the country cannot supply the requirements of Bengal or Bihar; and we must give it a fair trial and so this time we recommended that Khewra should receive a certain bounty from Government. My friend, Mr. Maswood Ahmad, has indirectly supported the same idea, and my friend further suggests that we should abolish the salt duty. Now, what will then happen to the salt manufacturers of Tuticorin and on the coast of the Ganjam district and also the manufacturers in Bombay, Okha and Karachi?

**Mr. Muhammad Anwar-ul-Azim** (Chittagong Division: Muhammadan Rural): He possibly thinks this particular salt is not likely to reach Tuticorin and other places.

**Mr. B. Das:** Now, my Honourable friend, Mr. Morgan, has got a particular amendment regarding preference to Liverpool salt which he will move later on and then I should like to deal with it in detail. I know my friend, Mr. Anwar-ul-Azim, comes from the province of Bengal. Now, Bengal has developed a taste for this peculiar kind of Liverpool salt, but I am not in any way bound to that, and, I believe, the people of Orissa, who do not consume any foreign salt, not even the Aden salt and the Okha salt, all consume the Madras and Ganjam salt. I know that my friend, Mr. S. C. Mitra, was at one time an enthusiast for the manufacture of salt in Mindapore and the Chittagong coast.

**Mr. S. C. Mitra:** I still hold that view.

**Mr. B. Das:** I am glad he still adheres to the same opinion and that he still hopes that his country will in future use all the salt of their own sea-coasts and will not require any foreign salt. Sir, I do hope the House will take into consideration and read minutely the report which has been submitted by the Salt Committee. If salt is the most essential necessity of a human being, it should be protected first and foremost. We are protecting anything and everything; we are protecting paper, and

what not. Even the sugar-candy-wallahs and others from Bombay and elsewhere all want protection. Now, many of these are luxuries without any doubt. Even with regard to the demand of the Bombay millowners for protection of piecegoods, I should say, these are luxuries, but salt is a most essential necessity of life. If any particular article wants to be protected, I think salt must be protected first and foremost. Sir, before the British occupation of India, we could manufacture our whole requirement of salt and could even export salt by internal transport to Afghanistan and Persia and Central Asia. Why should we today not encourage India to be self-supporting in the manufacture of salt simply because my friends from Bengal have developed a peculiar taste for foreign salt? I know several of my Bengali friends who had developed a taste for the piecegoods of Manchester used to go about clad in very fine *dhotis*, but today I find my Honourable friend, Mr. S. C. Mitra, clad in very decent khaddar cloth. If Bengal has changed her taste for clothes, I cannot understand why she should not cultivate a taste for salt that is manufactured on the Madras coast or the Orissa coast.

**Mr. M. Maswood Ahmad:** Ask the manufacturers to sell salt at a cheaper rate.

**Mr. B. Das:** In spite of this protective duty today, the Bengal and the Bihar consumer is getting salt at a price that has not prevailed during the last 12 or 13 years. In spite of the protective duty, we are getting piecegoods today at a price which was never anticipated. It is almost at par with the pre-war price. (*A Voice:* "It is due to depression in the market.") My friend, Mr. Morgan, also referred to Aden and just hinted that it was going to pass out of the hands of India.

Sir, nearly 2½ years ago, when the Honourable the Finance Member introduced an item in his Budget that £250,000 should be the amount which the Government of India should pay for the maintenance of the British garrison at Aden and that England would manage the military station, some of us apprehended that Aden would pass out of India's hands. That has come to pass and I would at heart be sorry to part with Aden. But, having regard to the fact that Aden has damaged the salt industry of India, I would be glad if she is out of India today. There are Italian manufacturers in Aden who manufacture very large quantities of salt and who are competing with Aden's Indian manufacturers. I entirely agree with Mr. Biswas that we should take off the protective duty from the salt manufactured at Aden. But unfortunately at present Aden happens to be part of British India and, although we discussed this subject in the Committee for three days, we could not come to any conclusion by which we could exclude it. I must mention that there are two Indian firms in Aden who are manufacturing salt for a long time. They have made large profits in the past and, notwithstanding the Italian firms competing with them, they will continue to be in a position to derive profit from their salt factories.

Then, Sir, there is another matter that I wish to say with regard to Kathiawar States. Okha salt works are situated in Kathiawar and the Committee have recommended:

"It has been pointed out by some of us that the salt works in the Kathiawar States have, for the reasons just mentioned, less claims than Aden for the adoption of the scheme and the forthcoming proposals for a Federal Constitution may be taken into account."

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Sir, the Committee did not know at the time that one of the representatives of the Kathiawar States, the Maharaja of Nawanagar, will hoist the flag of revolt against the Federation. Somehow the Committee had that suspicion at the time and they recommended that in case Indian States should back out of the Federation, they will be treated as foreign territories and equal amount of duty will be levied for any article that would be manufactured in those states and imported to British India. The last few days have proved that the Kathiawar States are not going to be part of the Federated India and I do hope that, within a month or two when the Princes of the Kathiawar States finally decide not to join the Federation, the Honourable the Finance Member and the Government of India will take executive action and leave out all Kathiawar salt and treat it as foreign salt.

**An Honourable Member:** What about Okha salt?

**Mr. B. Das:** Okha is in Kathiawar and, if the owner of the territory, in which Okha lies, does not federate, then Okha salt should be treated as foreign salt.

Sir, as an Oriya, I am very much interested that the salt manufacture on the Orissa coast should develop. I do not agree with one word of the statement that the representative of the Bihar Government made before the Salt Committee although he happened to be the Commissioner of Orissa Division. I do not think that he understood or appreciated the spirit that actuated this Legislature to put the protective duty and which persuaded even the Tariff Board, the Salt Committee and even Mr. Pitt when he inquired on the Orissa coast about the resources of Orissa with regard to salt manufacture. Orissa can be self-supporting and can manufacture salt in sufficient quantity, even to capture a reasonable share of the Calcutta market. I entirely disagree with the opinion of the Bihar Government. Similarly, I entirely disagree with the opinion of the Bengal Government and the views expressed by the representative of the Bengal Government before the Salt Committee. My friend, the Finance Member, knows that since the Gandhi-Irwin Pact was entered into two years ago, when a reasonable amount of salt was allowed to be manufactured on the sea coast from earth and sea water by the villagers, large amount of salt is being manufactured on the coasts in Midnapur and in Orissa and people are not buying any salt in those areas. It may be that the salt is impure. There may be five per cent. impurity in it, but that does not matter. There are people who are accustomed to take such salt for thousands of years and when the present economic depression has reduced the earning power of the people and when the poor man's income comes to only one anna per day, he cannot afford to buy salt even by spending half a pice. So, I am grateful to the Honourable the Finance Member that he agreed with Mahatma Gandhi at the time and permitted the manufacture of salt on the sea coast. But it may be a problem in Bengal. I know Bengalees like *Sandesh* and fine clothes and I do hope that they will give up their taste for foreign things. Mr. Morgan put forward the argument that the Bengalee's taste has been so much vitiated that he cannot do without the Liverpool salt. I would like to hear from Mr. Mitra, later on, when he would refute the arguments of Mr. Morgan that the Bengali likes the Liverpool salt. I think Mr. Morgan's statement is due to the fact that the Bengal consumers and the salt importers in Bengal have assured him

that they do want a certain amount of refined Liverpool salt for a change. I do not know whether my friend, Mr. Mitra, read the note submitted by the Indian Salt Association. This representation was made from Bombay. Sir, this House has suffered many calamities from Bombay and the whole of India has suffered many a calamity from Bombay. The first Imperial Preference was given because of Bombay. When the Steel Protection Bill came, to satisfy Bombay, we gave Imperial Preference. Then the cotton mill industry came. It is Bombay alone that wanted the Imperial Preference, and we had to swallow the pill.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): May I correct the Honourable Member? He made a reference to the Tata Works which are situated in Bihar and Orissa.

**Mr. B. Das:** But the management is entirely from Bombay. Here is a representation from the Indian Salt Association. They are all Bombay people and the signatory is one Mr. Kapilram H. Vakil, Honorary Secretary of the Indian Salt Association. It says:

"In considering this estimate, the Association has taken into consideration the demand of a certain class of consumers in Bengal and Bihar and Orissa for boiled or *panga* salt which had been supplied by Liverpool and Hamburg."

What did the Bombay salt manufacturers do? They had come to certain arrangement with the Calcutta importers of Liverpool and Hamburg salt that Liverpool and Hamburg salt should be allowed to be imported free of this additional duty. My Honourable friend, Mr. Mitra, just now questioned me, how do I know that the Bengal taste has been defiled and changed? Here is an instance. Mr. Mitra can denounce the Bombay salt producers for having told this lie. It is a lie, I tell you, Sir, and if Bombay can get a little more money into their pockets, they can sell their country, and here the salt manufacturers have sold the country. I hope, when the Finance Member replies, he will give me a list of firms which constitute this Indian Salt Association. Are they Indians? Are they blood-suckers or are they patriots?

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): Is my friend, Mr. Das, opposing or supporting the Bill?

**Mr. B. Das:** I am condemning the salt manufacturers who are blood-suckers and who are so unpatriotic.

**Mr. C. C. Biswas:** But whose blood is going to be enriched by this Bill.

**Mr. B. Das:** I do hope the Finance Member will give me the names of those firms who manufacture salt. I want to know whether they are Indians and I want their names to be published in the press of India so that India will condemn such unpatriotic citizens of the country.

Now, Sir, I am glad that Bengal and Orissa agreed and my friend, Mr. Biswas, also agreed,—the only fly in his ointment is Aden and mine is Kathiawar,—I am glad we agreed that protection should be given to the salt industry. This is a provisional protection. I hope in the meantime the Central Board of Revenue will extend its activities and I hope the Finance Member will place a few lakhs at their disposal to buy more machinery and also put pressure on his colleague, the Railway Member.

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to reduce the railway freight for Khewra salt for Bihar and Bengal. At the same time, I do hope the people in Madras and Orissa will increase their output so that they will capture part of the Calcutta market, and I do hope in the meanwhile that Bengalees will change their taste for salt and will make an effort to manufacture salt on their sea-board.

**Mr. G. G. Biswas:** Sir, I have no desire, much less the capacity, to hurl thunders at my friend, the Finance Member. I attempted the experiment more than once, and I still remember the crushing defeat I sustained each time. I must, however, quite candidly admit that this year I found my friend in a much more reasonable frame of mind, and that is reflected in the report which the Assembly Committee have submitted this year. We have to be thankful for small mercies, and if we have not been able to secure the total repeal of the additional duty, we have at any rate the satisfaction of feeling that we were able to persuade the Finance Member to agree to a reduction to the extent of two annas per maund. I do not, however, resile from the position I have all along maintained and I hold today even more strongly, than I did two years ago, that there is no case whatsoever for the imposition or retention of this additional duty. So far as the object of making India self-supporting in the matter of its salt supply is concerned, I believe we are all agreed that that is a consummation devoutly to be wished for, and if there were real, sincere and genuine efforts in that direction, no province in India would have been wanting to help forward that movement. The question of making India self-supporting is, however, not the same as that of putting money into the pockets of a few merchants at Aden. That is the crux of the position, Sir, so far as the present controversy is concerned.

As my Honourable friend, Mr. Maswood Ahmad, pointed out, it was several years ago that this question was raised and the attention of Government was directed to the necessity of exploring methods for the purpose of making India self-supporting, so far as salt was concerned. I believe, Sir, I am correct in stating that a recommendation to that effect was made by the Indian Taxation Enquiry Committee. That recommendation came to be considered by the Government of India, and for that purpose they called for a report from the Central Board of Revenue. The Central Board of Revenue examined the matter and came to certain conclusions, and, on the strength of those conclusions, the Government of India then thought that the time was not ripe for undertaking an investigation of the nature suggested. A few years later, however, the question was raised again on the floor of this House by way of a cut motion during the course of the Budget discussion, and then the Finance Member or the Commerce Member, I forget who, promised that a reference would be made to the Tariff Board. That reference was made, and we had a very careful and elaborate report from the Tariff Board on the whole subject. As the Tariff Board pointed out, the question of making India self-supporting really reduced itself to one of supplying the markets of Bengal, Bihar, Assam and Orissa, because they found that the bulk of the foreign salt which was received in India was consumed in those provinces. I believe,

1 P.M. Sir, the total consumption of these Provinces was put down at 500,000 tons, of which 320,000 tons came from foreign sources and the balance of 180,000 tons came from Aden. Sir, when we talk of making

India self-supporting in the matter of salt, we naturally think of the continent of India, with its extensive sea coasts and its extensive facilities for the manufacture of this essential article of human consumption. Aden might be politically a part of India, but when we speak of India in connection with measures of protection, we do not think of Aden, we think only of the mainland of India. The Tariff Board, Sir, went into the matter very thoroughly, as I have said, and they examined the possibility of developing the various sources of supply in the Indian continent. There were certain maritime sources of supply, such as Karachi and Okha. There were also inland sources mostly in Northern India, and in Rajputana.

Sir, my friend, Mr. B. Das, suggested that India ought not to import a single ounce of salt from abroad, if she can help it; with that suggestion I entirely agree. I entirely agree with him also that it is possible to increase the total output from all these sources in India, maritime and inland, in British India and in the Native States, to such an extent that the whole of the Indian demand would be fully supplied; but when we state that, we are not stating the whole position. The question is, whether we can develop these sources in such a way that they will be able to place the salt in the market at a fair economic price. As a matter of fact, Sir, it will be wrong to call upon the consumer, whether in Bengal or in any other province, to pay a price much in excess of what is its economic level. You may for a few years no doubt tax the consumer, but you can tax him in this way, and call upon him to bear an additional burden, only if you can secure that ultimately he will obtain the commodity at a reasonable price. I doubt very much, Sir, whether the conditions in India are such that it can be said that the output of salt at the various centres can be marketed in different parts of India at an economic and competitive price. The Tariff Board was faced with this question, and that is why they had to go into the matter of prices very minutely. They came to the conclusion that so far as the maritime sources were concerned, it might be possible to increase their production sufficiently, but it would not admit of sale in the Bengal market at an economic price. They hold that it would not be in the national interest that Bengal should be supplied with salt from these sources. It was the inland sources of supply that the Tariff Board turned their attention to, and they came to the conclusion that it would be in the national interest to develop these sources and supply the Bengal market therefrom. Sir, the main inland sources in Northern India were Khewra and the Rajputana centres. The Tariff Board found that the output at these places would have to be considerably increased. The plant at Khewra, for instance, was such that you could not expect within a reasonable distance of time a sufficient supply for consumption in Bengal and the neighbouring provinces. They suggested, therefore, that steps should be taken at once for the purpose of exploring the possibilities of further development at Khewra and these other Northern India sources: they also suggested that the possibilities of production at other centres should be examined. Sir, they had not time to make these enquiries themselves, and so they made a recommendation to the Government that Government should undertake this investigation. In consequence of that recommendation, Government appointed two Committees—first the Chhimilal Mehta Committee, and then the Pitt Committee. Mr. Pitt went into the question principally of Bengal and Bihar and Orissa, whereas Sir Chhimilal Mehta confined himself to the other sources. Those reports are



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now before us. Sir, if we accept the conclusions which were arrived at by these Committees, the position is this that Khewra admits of development, but only to a limited extent, and that Bengal and Bihar and Orissa cannot be developed at all on a commercial basis. Mr. Pitt's report was, I may mention, forwarded to the Governments of Bengal and Bihar and Orissa, and the Governments of both the provinces concurred in his conclusions. It is just as well that I should state at this stage that the Governments of these provinces were not hostile to the development of salt on such limited scale as was considered possible. As a matter of fact, they were quite prepared to grant licences to private parties who applied for such licences, and undertook to bear the expenses of the preventive staff and other staff necessary for the purpose of supervising these works. But the main point was that they held that it was not possible to manufacture salt on a commercial scale in those places. That being the position, the question we have to consider is this: if you cannot develop Bengal or Bihar and Orissa in that way, can you develop Khewra or other inland sources in such a way that you can replace the foreign salt in Bengal within a reasonable time by supplies from these sources? At the time, in 1931, when this additional duty was imposed, the hope was no doubt entertained that it would be possible so to develop Khewra. Some steps have been taken by Government in that direction: but when I place before you the figures, you will find how long yet we shall have to wait before Khewra can fairly be expected to supply the whole demand in Bengal, Bihar and Orissa. If you look at the report of the Central Board of Revenue on the working of this Act for this year—I believe copies have been made available to Members—you will find at page 5 they state in paragraph 9:

"The plant now being installed is designed for 14 lakhs of maunds or 52,000 tons of crushed salt."

Just consider this. The plant which they refer to is not yet in full working order: they were expecting that it would be in working order, and it would be possible to market a small quantity as early as May of this year. But I understand that some further hitch has occurred and that the expectation is not likely to be realised—not until September or October next. But even if that is realised, it only means that they would be able to market only seven lakhs of maunds in Bengal in the current year, i.e., 26,000 tons; and when they have the plant in full working order, the quantity they will be able to place in the Bengal market is only 14 lakhs of maunds or 52,000 tons; whereas, as I have mentioned, the total consumption of Bengal is 500,000 tons, at the time the Tariff Board reported and as the two Governments have now reported, the figure should be 550,000 tons. That is the position. Therefore, so far as quantity is concerned, I say, there is no immediate prospect of getting anything like what Bengal and other provinces require from Khewra in the near future. Apart from that, there is the other question . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Honourable Member can resume his speech after Lunch. The House now stands adjourned 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 (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Mr. C. C. Biswas:** Sir, when the House rose, I was dealing with the possibilities of developing Khewra, and I was placing before the House the Report of the Central Board of Revenue. This is what is stated in para. 9 of that Report:

"The plant now being installed is designed for 14 lakhs of maunds or 52,000 tons of crushed salt, and it is expected that it will be possible to market 7 lakhs of maunds or 26,000 tons in Bengal in 1933-34, and that crushed salt may be available for Bengal in early May 1933."

As I have already stated, we cannot get this salt in May, 1933, but possibly we may get it in October, 1933. But, Sir, the point is that the total quantity which you can expect from Khewra, when the whole plant is working, is only 52,000 tons against the total consumption of 550,000 tons. So there is hardly any chance of Khewra being able to supply the full quantity of foreign salt which Bengal is now obtaining. Sir, I will at this stage remind my friends of the main purpose of the policy which was adopted by the House in 1931 when they decided to impose this additional duty. If you look at para. 3 of the Third Report of this Assembly, you will find it stated there:

"The main purpose of the policy was two-fold:

- (1) to create conditions in which Indian manufacture of fine white, crushed salt, especially from the inland sources of Northern India, could be developed, and in which such salt would find a place in the Bengal market;
- (2) to achieve this object without putting a burden on the consumers of Bengal and Bihar and Orissa who were accustomed to purchase imported salt."

Therefore, when we are asked to continue this duty, the first question we ought to ask ourselves is this. What has been the result of this policy during the two years that this duty has been in operation? Have the objects been attained? If not, should we be justified in continuing the duty any longer? I venture to submit, Sir, that the policy has been a complete failure. The fundamental objects which we had in view have not been attained at all. Remember that it was not of the essence of the scheme to give protection to Aden. Nothing of the kind. That is a very important consideration which we must always bear in mind. The Tariff Board pointed out that Aden had withstood foreign competition unaided, and that there was no case made out for giving protection to Aden, and that view was endorsed by the Assembly Committee in the First Report, re-affirmed in the Second Report and accepted by this House as well. So it will be wholly a mistake on our part if, in deciding upon our future course of action, we were to pay any undue or exaggerated regard for the interests of Aden. The main question is, whether or not it is possible to obtain for Bengal,—and when I say Bengal in my remarks I mean not merely Bengal, but also the other provinces where the same salt is consumed,—the main question is, whether it is not possible to obtain for Bengal the salt it requires from the inland sources. The House will find that during the two years that have already elapsed since the duty was imposed, not one ounce of salt was placed in the Bengal market from the Northern India sources, but the bulk of her requirements was met from Aden. Aden's supply to Bengal had in fact been doubled. The House may remember that last year the



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Committee of the Assembly pointed out in their Report that the quantities which were coming out from Aden were so large that there was a real danger that Aden might obtain a virtual monopoly of the market in Bengal, thereby defeating the objects which we had in view, and the suggestion was made that a system of allotment by quotas might have to be devised in order to counteract this real danger. This question of allotment by quotas was considered by the Government in the course of the year, but it was rejected by them. There was too much opposition from different quarters. The Aden merchants and the non-Aden merchants did not agree among themselves. I do not wish to go into that question now, but the fact remains that the Government came to the conclusion that that was not a practicable or feasible proposition. There the matter stood. Now, Aden, naturally, encouraged by the favoured treatment which it had received from this House, began to develop its resources much beyond what was required or expected, with the result that, if I may use that expression, the merchants there open their mouths wider and wider. In fact, representations poured in from these merchants that Government should actually abandon the policy of developing Khewra and that they should take all the supplies from Aden and Aden alone. Sir, I do not blame Aden. They are only asking for what anybody in such circumstances would ask for. You have treated Aden with grandmotherly affection, and, naturally, like a spoilt child, it is asking for more. Now, the position is this. Aden has expanded its output to such an extent that it says it has acquired a sort of vested interest, and that no matter what happens to other sources of supplies in the main land of India, nothing should be done which would interfere with the supplies of Aden. The situation has been really complicated by this consideration for what Aden claims to be her vested interests. In fact, if you read the report of the Committee, which has been presented on the present occasion, you will find that one of the main reasons, which influenced the Committee to recommend a continuance of the duty, though on a reduced scale, is this regard for the vested interests of Aden. I submit with confidence that that is a wholly wrong view to take, and that it is really going back on the main purpose of the policy which this House had adopted. I might here give the figures showing the quantities which Aden supplied.

In 1931-32, Aden supplied 318,000 tons out of a total consumption of 514,000 tons. I have got the figures here up to October of the following year 1932-33, and it appears that out of a total quantity of 327,000 tons consumed up to that date, so much as 151,000 tons came from Aden alone. So the only effect of this policy has been to strengthen the position of Aden in the Bengal market, and, so far as the Northern India sources are concerned, there has been very little achieved in that direction. Sir, if you turn to the report of the Committee, you will find that the main reasons why the Governments of Bengal and Bihar and Orissa pressed for an abolition of the duty this year are set out in paragraph 4. If I may say so, that summarises very fairly and very fully the position taken up by these two provincial Governments. The points made are these. First of all, it is pointed out that the immediate result of the policy has been to raise the prices to the consumers substantially in these two provinces. Secondly, they point out that the so-called advantages which were expected to follow from the stabilisation of prices are nebulous, uncertain and indefinite, and in any case, in the present conditions it is not only not necessary but positively harmful to the consumer to insist

upon a stabilisation of prices. The prices of other commodities are unstable, and why should you insist on stabilised prices in the case of salt alone? It is further pointed out that, so far as the Bengal consumer is concerned, he has got to pay for his salt out of the price he realises for his agricultural products. As we all know, he does not get his full prices for these. There has been a catastrophic fall in prices all round, but he has to buy his salt at a very high price. The stabilisation which was contemplated has meant stabilisation at a very high level. Rs. 66 per 100 maunds was the figure adopted, but having regard to the prevailing prices, that must be considered to be a very high level altogether. The next fact to which attention is drawn is that the chances of developing local production in these two provinces on an economic basis are very, very remote indeed. And lastly, they point out that the object which was in view, namely, the development of Khewra and the other inland sources, has not been attained. Dealing with these points, the Committee state in paragraph 5 of their report that they cannot agree on all points with the case, and they say:

".....it is too early yet to condemn the basic idea of a policy of stabilization of prices or to say on the strength of the exceptional conditions which have prevailed during the past two years that such a policy must necessarily be in the long run disadvantageous to the consumers."

With great respect I feel bound to challenge that statement. As a matter of fact, as we know, stabilisation of prices was not an end in itself; it was only a means to an end, and the end in view has not been achieved. Two years' experience has shown beyond doubt that the attempt to stabilise the price of salt at Rs. 66 has only imposed an undue burden on the consumer. What is the idea behind stabilisation? It is this that, although the consumer is called upon to pay this high price for a certain number of years, ultimately he is secured against a possible rise of that price as a result of combinations or rings, and so on. But the fears of a possible rise in the price are all illusory, and the dangers of rings and combines are not, as past experience has shown, a real danger. For the first one year and a few months since the new duty was imposed, prices generally ruled at the level which was contemplated, but as soon as there was further competition from two new foreign ports the prices fell down at once. There is one curious fact which I may here point out and which had been overlooked at the time the duty was introduced. It is that in fixing the figure at Rs. 66 as a fair selling price at which it was proposed to stabilise the price, the Tariff Board had calculated freights at a certain rate. As a matter of fact, however, at the time when the new Bill was passed, the freights were very much lower. You can take it that the freights were lower by something like Rs. 9 or Rs. 8 per 100 maunds. The benefit of this reduction in freights was not passed on to the consumer, but went wholly into the pockets of these merchants at Aden! It was only when two new ports started on the Red Sea and they began to import salt into India at much more reasonable rates, that the Aden merchants were compelled to bring down their prices as well. But, for about eighteen or sixteen months, they had been pocketing this difference in sea-freight of Rs. nine per 100 maunds at the expense of the poor consumer in Bengal. Having maintained this so-called stabilised price at that unreasonably high figure of Rs. 66 for a year and four or six months, they brought down the prices in the last few months to something between Rs. 53 and 55. But when that happened, Sir, the usual cry was heard from the Aden merchants. They said: "The time

[Mr. C. C. Biswas.]

has come when the duty which is in force is not enough. You should increase the duty." There is a section in the Act which says that Government might, if so satisfied, increase the duty by one anna per maund. The Aden merchants,—not satisfied with the unholy gains they were making for about one year and a half,—not satisfied with that, had the audacity to suggest that the duty should be further increased. The Government at once appointed an officer to go into the matter and an enquiry was made by the Collector of Customs, Calcutta, Mr. Ward. And what was the report which the Collector of Customs made? He came to the conclusion that there was no foundation whatsoever for the allegation that anything like dumping was going on. What had happened was that the Aden merchants—the appetite grows on what it feeds upon,—were not willing to sell their salt, but were waiting to see if they could induce the Government to increase the duty. So they kept back their salt from the market and huge stocks were piled up in the *golas*. I will not trouble you with extracts from the report of Mr. Ward, but I will give you the substance of it as reported in the Resolution of the Government of India on the subject. This Resolution is dated the 10th December, 1932, and this is what they say:

"In the opinion of the Government, the result of the enquiry is to show conclusively that up to the present time nothing has happened that would justify any increase in the import duty. Since the beginning of the official year 1932-33, there has been an increase in the quantity of salt of different kinds imported. The amount imported has exceeded the demand and in consequence the total stocks in the *golas* in Calcutta have largely increased, while prices have declined. Having regard, however, to the fact that the freights prevailing more appreciably lower during this period than those that formed the basis for the fair selling price fixed by the Tariff Board, it cannot be said that the prices at which foreign salt has hitherto been sold were uneconomic or that there was any justification for the allegations of dumping by foreign manufacturers that have been made. The increase in stocks is confined, so far as the fine white crushed salt of the Aden or Red sea type is concerned,—to Indian salt, including salt from Aden. The only inference to be drawn from this is that sellers of Indian salt have been more reluctant than sellers of foreign salt to bring down their prices to a level which, for the reason given in the preceding paragraph, cannot be regarded as anything but a fair competitive level."

That was the position. The report of the Collector of Customs, Calcutta, makes it abundantly clear that this policy has wholly failed in producing the results which were expected of it, and that the statement which is made in the report of the Assembly Committee is an overstatement of the case altogether. I maintain that this policy of stabilisation of prices has succeeded only in mulcting the consumer. The Committee then say:

"Further, we cannot agree that it has been yet demonstrated that the development of the Northern Indian inland sources supply on an economic and competitive basis is impossible or that the purpose of achieving this development should be finally abandoned as an objective which is in the national interest."

For two years we have waited, and all that we have got is a promise that in September or October this year there may be placed in the market something like seven lakhs of maunds or 26 thousand tons, whereas we require 550 thousand tons in the year. Are we to understand that Bengal has got to bear this burden as long as it takes the Government to put this Khewra factory on a basis, which will enable it to produce 550 thousand tons? Remember this. In spite of the duties, as I was pointing out, prices in Bengal did actually fall below the standard rate of Rs. 64 or Rs. 65, and prices will go on still falling notwithstanding the duty. The further the fall, the further are we getting away from our object, namely, the development of Khewra. As a matter of fact, when you consider the case of Khewra, we must not overlook the question of the price at which it is

possible to market the Khewra product. The tariff Board calculated that the cost of production would be something like Rs. 84 or so. Calculating on that basis, it is fairly clear that Khewra cannot compete with Aden salt in the Bengal market on a competitive basis, even assuming that the selling price in Bengal was Rs. 66. If, however, the selling price further dropped, then, Sir, the chances of Khewra competing with foreign salt becomes still more remote. That is the position. Khewra is getting further and further away from the possibility of competing with Aden salt, unless the Government are prepared to give a very substantial subsidy from central revenues for developing Khewra.

Lastly, the Committee point out:

"Again, when the burden on the consumer is spoken of, we must point out that we have failed to obtain accurate information as to how far the rise or fall in the wholesale prices of salt is felt by the ultimate individual consumer of a small quantity at a time and, even taking the consuming provinces as a whole, regardless of how the burden of higher prices resulting from the Government's policy is distributed, we do not think that it is by any means established that that burden has been fully equivalent to the sum produced by applying the rate of the additional import duty to the total quantity of salt consumed by them."

That may be so, but, at the same time, I ask, is the converse true, that if the duty is taken off, prices will not appreciably fall and the burden correspondingly lightened? It is not fair to draw any conclusion from that as to the future course of action. The framers of this report, with due respect, were really speaking in hesitating accents. They felt in their heart of hearts that there was no case for continuing the duty. There was no case for maintaining it even at a reduced level, but there were the vested interests of Aden to be taken into account,—Aden which had been encouraged by this grandmotherly treatment, which was opening its mouth wider and wider, Aden whose rapacity had got to be gratified. Government possibly felt that it would not be right to throw them overboard all at once. The process had to be softened as much as possible, and, therefore, although the logic of facts made the case for a total repeal unassailable, still they had to find some reasons for continuing this duty for some little time to pave the way for a total disappearance. Having stated on what I submit are wholly untenable grounds that they cannot agree on all points regarding the case of Bengal and Bihar, the Committee go on to say:

"Nevertheless we think that the time has come to take stock of the position once again and to review our whole policy."

They were speaking the truth here. They say:

"Our main reason for this is that since the Tariff Board examined the situation and made their recommendation as to what would be a fair stabilised level for the prices of salt, there has been such a catastrophic change in the general level of prices for all commodities that the considerations which influenced the Tariff Board can hardly be held to apply to the conditions prevailing today."

That, Sir, is the real position. Even here they use very guarded language. The implication is quite obvious, and if you give effect to this implication, then the only course open to you is to take off the duty altogether. The Committee continue:

"We feel, indeed, to put the matter shortly, that in relation to other commodities a price for salt stabilised at Rs. 66 per hundred maunds or even at the lower level of about Rs. 55 which at present rules must now be regarded as definitely high, and it is clear that if free competition were again allowed, the Bengal market could be supplied at substantially lower prices. There are strong grounds for arguing that the advantages of the policy recommended by the Tariff Board are no longer commensurate with the burden put upon the consumers in Bengal, Bihar and Orissa."

[Mr. C. C. Biswas.]

That, Sir, is exactly the point made by Bengal, Bihar and Orissa,—that, having regard to the catastrophic fall in prices all round.

3 P.M. having regard to the possibility of getting salt at very low prices, having regard to the fact that even the lower level of Rs. 55 per hundred maunds is on the Committee's own showing unduly high, there is not the least justification for retaining this undue burden on the consumer. The Committee, Sir, could not keep the cat in the bag all the time; in paragraph six, the animal peeps out a bit, and you will find that in the middle of that paragraph they are constrained to say:

“For various reasons, however, our final conclusion is that the time has not yet come for such a complete reversal of the original policy, and although we have always made it clear that the additional duty recommended was not to be regarded as a protective duty in the ordinary sense, we are bound to take some account of the conditions created by the imposition of the duty during the last two years and to recognize that the manufacturing interests concerned should be given some reasonable time to adjust their position.”

What is this but a plea that the vested interests must be satisfied? And what are those vested interests? The interests of Aden and Aden alone—not even of Karachi, not even of Okha. Here, then, is the real secret, the key to the whole of this report,—that we have got to take into account the conditions created by the imposition of the duty and recognize that the manufacturing interests concerned should be given some reasonable time to adjust their position. Then, Sir, having said that, the Committee cannot help pointing out that in spite of the proposal they have made, namely, to reduce the duty to two annas six pies, the actual price at which they expect salt will be selling in Bengal will be very much less than what is now the standard price *minus* the reduced duty. The reduced duty works out at Rs. 15-10-0 per 100 maunds; or Rs. 12-8-0 less. Taking the present standard price at Rs. 63-11-0 per 100 maunds, the actual selling price, with the duty reduced, should be Rs. 63-11-0 less Rs. 12-8-0 or Rs. 51-3-0 per 100 maunds. But they themselves admit that it will be selling at somewhere near Rs. 43, if not lower. As a matter of fact, the Committee have reduced the fair selling price. They reduce it, however, by the amount by which the freight has gone down,—that is, they fix it at Rs. 54-12-0. Sir, I need not go very much further into the matter beyond stressing once again the point I made about Khewra. Apart from the fact that it is not possible to expect any large quantity to come from Khewra in the near future, it will be clear that Khewra's chances of capturing the Bengal market will be getting weaker and weaker. The deciding factor is one of price, and that will be very much against Khewra. The Tariff Board calculated that Khewra salt could be placed in the Calcutta market at a *f. o. r.* price of Rs. 0-13-10 per maund as against a price of 0-13-9 for sea-borne salt, but this was on the basis of an output of 60 lakhs of maunds per annum. But with a very much less output, the price is bound to be higher. On the other hand, as the price of Khewra goes higher, Aden, by reason of its increasingly larger production, will be able to decrease its cost. I repeat, therefore, that taking everything into consideration, there can be no doubt whatsoever that it will be impossible for Khewra within a measurable distance of time to compete with Aden salt. Are we then to understand that Bengal must, all these years, be left entirely at the mercy of Aden? Sir, the Committee point out in one place that this duty is not intended to be a protective duty in the

ordinary sense. But in point of fact it has operated as a protective duty solely in favour of Aden and Aden alone. I maintain, therefore, that there is no justification for continuing this unfair burden upon the Bengal consumer only for the benefit of Aden. Sir, I fail to see why the Bengal consumer should not get the benefit of the all-round reduction in prices, especially when he is not able to sell his own produce except at very low and unremunerative rates. Sir, the pity of it is that although Bengal is called upon to bear this burden in national interests, the “national interests” here mean, on ultimate analysis, the interests only of a few powerful concerns in Aden, of which one is an Italian firm. Sir, talking of this Italian concern, I should like to draw your attention to what the Assembly Committee stated in their last year's report in the last para. but one:

“It should be stated that some of our members are very anxious that in view of the great benefits received by the Aden manufacturers from the policy adopted last year, steps should be taken by the Aden salt works on the lines indicated in paragraph 103 of the Tariff Board's Report to have the concern transferred to a rupee capital, with a suitable proportion of Indian directors.”

The Tariff Board were very emphatic in this matter. This is what they said at page 81:

“We recommend that the same guarantee should extend to the Aden Salt Works provided that the Company is formed and registered under the Indian Companies Act, 1913, that it has a share capital the amount of which is registered in the Memorandum of Association in rupees and such proportion of the Directors as the Governor General in Council has by general or special order prescribed in this behalf consists of Indians.”

There was this definite proposal of the Tariff Board, a proposal which was re-affirmed by the Committee of the House in the report of 1932, and yet what do we find they have done? Turn to the report of the Central Board of Revenue where it is said in paragraph 13:

“The opinion was duly conveyed to the proprietors of the Aden Salt Works and it has been ascertained that they are not willing to carry out the recommendations.”

And still, Sir, we must go on feeding this pet child of the Government! That is the position. I am quite willing to recognise that the Honourable the Finance Member has tried to meet us half way. As I said, we are grateful to him for this concession, but we are looking forward to the day when he will complete the process and be able to announce a total abolition of this duty. May it be given to him, Sir, not only to take off this duty, but to make salt free of duty altogether. If he could do so, I can assure him, he will leave his name to be cherished by the people of India with the same veneration as that of Aurelian, who gave the people free salt, was cherished by the citizens of the Roman Empire.

**Mr. Lalchand Navalrai:** Without its own industries!

**Mr. C. C. Biswas:** That is our hope, and in that hope I venture once again to renew my appeal that, at any rate, he might be able to give us some real relief by removing this additional burden from Bengal and Bihar and Orissa. Sir, I oppose this motion.

## STATEMENT OF BUSINESS.

**The Honourable Sir Brojendra Mitter** (Leader of the House): Sir, as the Finance Bill is not yet disposed of, I ask you to direct that the House shall sit on Saturday for the transaction of Government business.

As regards Government business for next week, Honourable Members are already aware that Government have undertaken to provide time for a discussion on the White Paper on Monday, Tuesday and Wednesday of next week; and I have already given notice of a motion for this purpose. The House, however, also knows that the undertaking was subject to the conclusion of the Finance Bill in this House and I must inform Honourable Members that we shall proceed with the Bill on Monday if it is not finished on Saturday.

Certain elections, of which notice has already been given, will be held during the week. In addition, Government will make certain supplementary demands for grants on Thursday, the 30th and on that day also the Report of the Committee on Public Accounts for the year 1930-31 may be presented and taken into consideration. Demands for excess grants for that year may also be made.

As regards legislative business, Government will proceed with the Provincial Criminal Law (Supplementing) Bill and with the Indian Medical Council Bill. I regret that I shall have to ask you, during the course of the week, to direct that the Assembly shall sit on Saturday, the 1st April. The discussion of the White Paper will take up three days we hoped to have for legislative business, and we must try to make good some of the loss.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): In view of the fact that the business of the House is getting congested, the Chair will direct that the House will sit the next Saturday and circulars will accordingly be issued to Honourable Members this evening. Honourable Members are aware that a great many elections to various Committees are due to take place during the course of the next week. In view of the discussion on the White Paper, it has been represented to the Chair by some Honourable Members that the elections to these Committees should, if possible, not be held on those days so that Honourable Members might have as much time as possible for the discussion of the White Paper. In this connection, the Chair has been thinking whether it would not be possible to devise some procedure by which, in the case of elections to various Committees, the time of the House need not unnecessarily be wasted and the convenience of Honourable Members might also be met. The Chair has accordingly decided, as an experimental measure, to adopt a different procedure for those elections that will come on for next week. The present practice is to distribute the ballot papers soon after the questions are over. The Chair has decided that this practice might be discontinued as an experimental measure. On the day fixed for an election the Deputy Secretary will be in his room from half-past ten in the morning till one o'clock. Honourable Members, desiring to take part in the elections, might during these hours go to the room of the Deputy Secretary, get the ballot papers from him, sign a register in recognition of their having taken the ballot paper, record their vote and deposit the ballot paper in the ballot box in the Deputy Secretary's room. The Chair is of the opinion that this procedure will not merely save the time of the House,

but will be an additional convenience to Honourable Members in that according to the present practice, those Honourable Members who do not happen to be in their seats at 11 or 12 o'clock lose the right of taking part in the elections. With a view to reminding the Honourable Members on the day of the election of the fact that elections are going on, placards will be posted in prominent places in the lobby that elections are proceeding for a particular Committee on that day. The Chair hopes that this change in procedure will meet with the convenience of Honourable Members. (Applause.)

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL—  
*contd.*

**Mr. Lalchand Navalrai**: Sir, it is quite plain and the House must have observed it that on this question of the protection of salt there is a dispute between India *minus* Bengal and Bihar *versus* Bengal and Bihar.

Sir, the question about this salt protection as has arisen has two sides. On the one side the case is that India should be allowed to develop her own industry of salt and be self-sufficient and self-contained. On the other side, Bengal and Bihar maintain that no matter whether the Indian industry is developed or not, what they want is the lowest price for salt whether they get it from India or from outside. Sir, this case of the other side, I mean of Bengal and Bihar, at once sets a blow to what India is craving for, namely, to make India self-sufficient and self-contained in all her industries. It is known to the House that I belong to the Presidency of Bombay which includes Sind as well. These are two ports which have got great facilities for increasing this salt industry and I must at once inform the House that I have been put in possession of facts and figures which have at least convinced me that I should come to this House and ask for more protection for this Indian industry in order to develop it to the extent—and very soon too—that the object may be fulfilled. But it is unfortunate that according to rules I cannot ask the House for an increase in duty. The next point is very strong, as is even shown by the reports that are placed in our hands, for keeping the protective duty at *status quo*; that is to say, the protective duty of four annas six pies should be continued. Then also it is again unfortunate that I cannot move that amendment unless I get the sanction of His Excellency the Viceroy. Sir, it seems that after the report of the Salt Industry Committee and the attitude of Government on this point it is not possible for me to take even that step. Therefore, in the last resource, I wholeheartedly support the motion that has been made by Government that this duty may be maintained at least to the extent of two annas six pies with the avowed intention of helping the Indian industry.

Now, Sir, what is the history of this salt protective duty? We know that India was a salt producing country. It has got the sea and it has got many facilities for producing salt. Even in rural areas I used to see myself that there was abundant *kalar*—land, i.e., saltish land from which salt was made in the indigenous manner which was not much expensive. However, that is now past, and the question then arose as to how salt should be supplied to India. The foreign countries, the Italians, etc., considered it an open market for them to import salt. This went on until Indians got aroused. They saw that they had facilities for making salt to supply India with her own salt. It was then that they raised a cry and they agitated over it, and we learn today from

[Mr. Lalchand Navalrai.]

the Finance Member that Government came forward with the set purpose of helping the Indian industry and, with that view, the import duty of four annas six pies was levied. Sir, I have got facts and figures to show that advantage was taken by the Indian people with regard to this protective duty in order to increase their product in salt. But it was only certain parts of India that took that advantage. Bengal and Bihar did not, and they became indolent; and when the other parts of India have shown to be brisk and have taken time by the forelock, they come forward to oppose them and not wish them well. That is a policy which, I think, no Indian would like.

Then, Sir, when India made salt, we find that Bombay, Karachi and Madras took advantage of it and they created their own manufactures. Even in Indian States also, Okha, Naulakhi and Porbunder took advantage of that. Then comes Aden. Aden had facilities for making salt and, as a great cry is now raised against Aden, I must say that as we are constituted at present Aden is a part of India and governed from India. I submit that until and unless Aden is separated from us, we cannot say that theirs is not an Indian product. Besides that, the point is very clear that it is not only the Italian people that make salt in Aden, but it is the Indian people from Bombay and other places as well.

**Mr. A. H. Ghuznavi** (Dacca cum Mymensingh: Muhammadan Rural): Only Bombay.

**Mr. Lalchand Navalrai:** That may be so, but, after all, they are Indians, just as Bengalees are in India. Sir, what I am to submit is that if you concentrate your idea on helping India in this industry, then, to say that protection should not be given is suicidal. Sir, if agriculture requires coal, we have no objection in other parts of India to send for coal from Mr. Ghuznavi and use it. But the point is that if there are facilities for having an Indian article in a certain part of India, then it should be allowed to develop and if, for that, some other parts of India have to suffer to a certain extent, they should make that sacrifice. I am digressing, Sir, but coming to the point, I have heard my Honourable friend, Mr. Biswas, asking "how long are we going to wait?" He no doubt expects that if "Khewra" is given facilities, it will go to their help and also if the Indian manufacturer of salt in Bombay and other places of India increase the product, they will be helped. But yet he says: "How long should we wait?" The reply is that he should not be hasty. With haste we have not been able to get the constitution that we want. There is no go, but to wait. Here also I advise Bengal and Bihar to wait and not to take away the protection. What I feel is that we have to revive this Indian industry which was unfortunately absolutely destroyed and crushed and that when it has reached now its infancy stage we should encourage it to stand absolutely on its own legs. Sir, the history shows that this protection was given with a particular object, and the only issue that the House should, therefore, consider is whether that object by this time has been fulfilled or it has yet to be accomplished. If India is able to produce salt to the extent of the demand of the whole of India, then remove the protection: but if not, then you have to halt and continue the protection, and I submit that, with the facts available, I think it would have been much better if the *status quo*

with regard to this protection of salt duty had been maintained. I submit that on the Salt Industry Committee—excepting Mr. Anklesaria I do not find any other member from either Bombay Presidency or from Karachi.

**An Honourable Member:** Haji Abdoolah Haroon was there.

**Mr. Lalchand Navalrai:** He has not taken any part in it. I do not find his name amongst the signatories. If he had been watchful of the interest of Bombay and Karachi, he would excuse me, he would have signed this report one way or the other and would have taken part in the debate today. Therefore, I submit, that the question whether the object has been fulfilled or not has the reply from every one that the Indian industry yet requires protection and it does not produce so much as to be self-supporting for India. On no other grounds the case need be judged. It should be judged on this issue, that is, when the House has committed itself to this legislation, it should be continued in order to develop more of the Indian industry. I submit, Sir, that there is no reason and no sense in removing at present the protection and allow the industry to fall down and die its own death.

Sir, proceeding further, I submit that the history of the protection shows that after this protection was given—these two years—the Indian salt industry has increased the supply and the foreign salt imported into India has been practically nil or has been much reduced. I will say how it has been increased again, but I am submitting that this salt which for some time used to exploit India came from Italian firms from the Red Sea Ports whose salt began decreasing since the protection. Then, what has happened now? A new danger has arisen and if that danger is not properly protected against, then even the salt industry which is being now developed into India will disappear and that will result in the importation of very much large quantity of salt from the two ports of the Red Sea, i.e., Ras Hafun and Asab, where there are Italian firms. Protection is being given to them by the Italian Government. Sir, having been thus helped by its own Government, one could easily understand what would be the result.

**An Honourable Member:** Where is the evidence for it?

**Mr. Lalchand Navalrai:** There is nothing to contradict it. The evidence in support of it is that these manufacturers or the masters of this industry in India are making an open assertion which, if it is false, would have been contradicted by the Government. Therefore, a new danger has arisen and you have necessarily to provide against it. If you are not going to provide against it only with the zeal and enthusiasm that Bengal should get salt at a lower rate, you will be doing a great harm to Indian industry as a whole. The question then will not only be in one case, i.e., of Bengal, but whenever any such question of development of any other industry would come up, the other parts of India would say: "We do not care for your industry, we want competition with foreign industries and get things at a cheaper rate." The inevitable point then is, why do you open these exhibitions?—Indian Exhibitions and say "Buy Indian"? Therefore, I submit that, on this question of salt which is an industry of a necessity for India, for, without salt, you cannot live, be true to your salt and support at least the little help that the Government are now going to give.



**An Honourable Member:** True to Karachi or Aden salt?

**Mr. Lalchand Navalrai:** I am part of Bombay as also of Aden. I would much wish that the Italian firms should go away from Aden. Drive them out in some way, but you cannot harm them without harming the Indians that are working there. If you press legislation for driving out Italians, I will join hands with you, if not, you should not grudge them, as there are Indians with common interest who are working for that salt industry there. Sir, I find that Indians have not been slack in taking advantage in the production of salt and that happy day will come when, if Government are in a mood to help this industry, Bengal will come forward here and say, we are happy to have now Indian salt and we have no quarrel with the price. I submit that the figures show that the consumption of Bombay salt in 1930 was 22,700 and in 1931-32, 27,000, that is 18 per cent. increase. In Karachi it was 11,000 and it increased in 1931-32 to 34,000 by 300 per cent. Madras increased it from 1,800 to 9,000, an increase of 500 per cent. Okha in the Indian States increased from 3,300 to 14,000 or 350 per cent. Naulakhi produced 6,200 and Porbunder recently got 4,000 tons. Then, I would submit—and this is again an assertion, though I do not know why you should not believe that assertion—the Bombay and Karachi people have come out with a pamphlet in which they say openly that there will be greater growth of this industry and they say as regards British India:

“Karachi may bring up its last year's figure of 34,000 to 50,000 in this year and Madras from 9,000 to 15,000 and Bombay about 25,000, thus making up 90,000 tons; and the whole quantity of 140,000, being total of all these figures, must be taken as dependent on the arrivals hereafter from Ras Hafun and Asab, because these works have already put in 40,000 tons and at rates which deducting freight and Calcutta charges leave nothing or almost nothing for the value of salt.”

Therefore a case has been made out on that point that this industry should be helped and, I think, it will be right on the part of the House to accept this motion. Then, with regard to the price, I think those, who have read the report of the Salt Industry Committee, would have seen that the Government have got that desire and they are careful about the price and its reduction in Bihar and in Bengal. I will be very happy if it is reduced even more than what is shown by the Government at present. But at present the complaint is that the stabilised price is too high: that is the complaint that my learned friend from Bengal made. But the facts are these that the stabilised price was Rs. 66 per hundred maunds and the ruling price is Rs. 55. But Government, by reduction of this two annas duty, have reduced it to Rs. 43 for 100 maunds; and, if we add freight, etc., to this it fixes the price at Rs. 54-12-0. At present they are charging Rs. 55 and that is reduced to some extent. The desire on the part of the Government is to watch and see if they can get that also reduced. Time will bring it down and, therefore, there is not very much complaint with regard to this; and when the industry improves, it will be of great help to Bengal in purchasing salt at a lower rate. Then, coming to the other facility that Bengal gets and for which also Government are very anxious—namely, Khewra salt—the Government have said that they are giving facilities to Khewra to increase the output there, and there is no reason to believe that the facilities that are now being given to Khewra will not be taken advantage of there. After all, this duty is going to be for only one year; why should there be this hustling on the part of

Bengal and why should they say: “We must get the lowest price now: we cannot wait even for one year.” As regards Khewra, it is sufficient for me to refer to a portion of the Report of the Salt Industry Committee at page 4 where they say:

“Thirdly, there is the consideration that the experiment of putting Khewra salt on the market in the western part of the Bengal zone is expected to come to maturity during the forthcoming financial year and it is desirable before a final decision on policy is taken to be able to take into account the results of this experiment.”

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) vacated the Chair which was occupied by Sir Abdur Rahim.]

It is a very wise step, therefore, that we should not make any haste, and I hope the Honourable Member from Bengal, Mr. Biswas, will be here in this House to roar again next year and come to tell us that Bengal is still complaining. I think those patriotic people in Bengal, who want Swadeshi, those who stand for everything Indian, would not voice what Mr. Biswas has said in this House today.

**Mr. C. C. Biswas:** Bengal is for all people except the Bengalees.

**Mr. Lalchand Navalrai:** I do not know what the Honourable Member means. What I am saying is that from the mentality of the Bengalees which I know and their temperament and activity, I do feel that there must be many people there who would come and contradict my Honourable friend and say that the Indian industry must be developed. The other day I went into the Kashmir Gate, Delhi Exhibition and saw a shop. The man in charge, who was a Bengalee, called me in and showed me jute products: I rushed in at once and saw he was selling durries and carpets made of jute; and I said: “Well, I am not a Bengalee: I belong to Sind and Bombay; but I do feel for Bengal as well and I want to purchase these things”, and I did purchase them even at some higher price. Otherwise, with Mr. Biswas' view I would have gone to a shop from Bombay and purchased there. There must be great many people like me. Therefore, it is not a question of Bengal or Bihar or Bombay or Sind; it is absolutely a question of what is Indian. To continue my quotation:

“We have been given figures which show that, having regard to the manner in which the special freight rates for Khewra salt have been worked out, it would still be possible for Khewra salt to compete in almost the whole of the market west of Calcutta to within 50 or 60 miles of that place, if the ex-ship price of salt at Calcutta is not below about Rs. 50; while past that point the whole of the market would be closed to it. We were reminded that the Tariff Board in paragraph 61 of their report admitted that the railway freights quoted were lower than was necessary to enable rail-borne salt to compete in the market with a stabilised price of Rs. 66 but argued that it was advisable that the Railway authorities should allow a considerable margin in their rates if the additional salt traffic was not to be liable to heavy fluctuations corresponding to variations in sea freights; the main factor in the present position is precisely such a reduction in sea freights. We have already mentioned our expectation that the measure that we now propose will reduce the ex-ship market price of salt in Calcutta well below Rs. 50; and we consider that at least so long as funds are available for the purpose the Government of India would be justified in paying a bounty of Rs. 5 to 10 per hundred maunds in order to cover the difference that has thus been created between the market price and the lowest price at which without the bounty Khewra salt might hope to compete in the western Bengal market. We understand that there are still fairly substantial amounts in reserve out of the one-eighth share reserved for the Central Government from the proceeds of the additional duty on foreign salt. It is at least an advantage of our scheme that the bounty which will have to be given to assist the Khewra salt will be smaller than it would have had to be if no additional import duty at all had been imposed.”



[Mr. Lalchand Navalrai.]

This speaks for itself. Then, I submit that if Government wish to give subsidy, as it was suggested last year, I shall grudge it not at all; on the contrary, I will join hands with my friend in asking Government to grant such subsidies to industries of this character. But for the present I do feel that the motion made by the Government is absolutely reasonable, and I support it.

**Mr. A. H. Ghuznavi:** Sir, I may tell my Honourable friend, Diwan Lalchand Navalrai, that we were more patriotic, and more swadeshi than my friend, and we are swadeshi even now.

**Mr. Lalchand Navalrai:** You are going to be swadeshi also.

**Mr. A. H. Ghuznavi:** Sir, in 1905, when we started the Swadeshi movement, we boycotted the Liverpool salt. That great man, the late Sir Surendra Nath Banerjee, at a meeting, where no less than two lakhs of people had assembled, addressing that large gathering said:

"I am the Brahmin of Brahmins, take the dust of my feet, take the solemn vow in the name of Goddess Kali that thou shalt not touch the Liverpool salt."

What happened since then for Bengalees who did not touch the Liverpool salt? How were we treated? Sir, the same old story,—we were bled and bled, for eating the Indian salt, by our esteemed friends from Bombay . . .

**Mr. Lalchand Navalrai:** I cannot see the consistency.

**Mr. A. H. Ghuznavi:** Because you are blind.

**Mr. Lalchand Navalrai:** No, I have no coloured glasses on like you.

**Mr. A. H. Ghuznavi:** Sir, the other day, when I raised my little finger to save Bengal from being bled with regard to the textile duty, roared the lion from Bombay,—I do not see my Honourable friend, Sir Cowasji Jehangir, in his seat here,—he was wild with rage and made a ferocious attack on me. He asked, why did I make those statements which, he said, were not true. The statement that I made that day was a fact and it happened in the year 1905 when my friend was probably in his cradle. He knew nothing of those facts, and he had nothing in his possession to show that those statements were untrue. When the Honourable the Commerce Member will give further protection to Bombay millowners in the next Sessions of the Legislative Assembly when they approach him again with their beggar's bowl, I shall then produce before the Assembly records in Criminal Courts of prosecution of the millowners of Bombay for passing on foreign goods stamping them as "made in India". I have one or two copies in my possession, and I shall bring those copies with me to show to the House that what I said the other day was perfectly true. That is how they made tons of money by bleeding Bengal white, that is how they made lots of money which they lost in heavy speculation, and they now come before this House again with a beggar's bowl asking for further protection. If this duty, which you have imposed, were to help the Bengal salt industry or the Indian salt industry generally, I would be the last person to come here and oppose this measure, but this duty will not help the Indian salt industry at all. It will go into the pockets, again, of Bombay salt merchants, and also into the pockets of the

Italian merchants. From the materials in my possession, I calculated that by imposition of this duty of 4½ annas, it gave them 43 lakhs of rupees annually, and it has been made a present of by the Honourable the Finance Member to these four firms in Aden. One is an Italian firm. The output of the Italian firm is almost equal to the total output of the three others. And, as for these three other firms,—again the same old story Bombay, Bombay and Bombay. There was a time when people from all parts of India used to say that Bengal has led the country,—but alas that day is gone . . .

**Mr. N. M. Joshi** (Nominated Non-Official): We are willing to be led by Bengal.

**Mr. A. H. Ghuznavi:** As I said the other day that during Lord Curzon's time the late Mr. Gokhale said in a meeting of the Imperial Legislative Council "What Bengal thinks today, the rest of India will think tomorrow. Pacify Bengal, and the rest of India will be pacified". But, by the policy adopted by the Government of India, poor Bengal has been bled white. When Bombay comes for help of any kind, the Government of India give them whatever Bombay asks for, irrespective of the fact whether such concession to Bombay affects Bengal or any other province. Sir, I will not take the time of this House any more, but I will sincerely congratulate my Honourable friend, Mr. Biswas, on the strong case he has made out to prove that there is no justification now to keep this salt duty even on a reduced scale. Sir, I oppose this Bill, and I support my Honourable friend, Mr. Biswas.

**Mr. K. C. Neogy** (Dacca Division: Non-Muhammadan Rural): Sir, I have been feeling somewhat distressed during the last few days at the importation of some amount of provincial feeling into the discussion of economic questions in this House. I have been particularly feeling uncomfortable at the way in which the name of Bengal has been bandied about in this House for opposing measures calculated to further industrial interests of this country. Sir, is it the contention really of Bengal that she must stand in the way of industrial progress of this country? Is it her case that she must have the benefit of a special economic policy,—something different from that which is suitable to the interests and needs of the rest of India? Sir, I feel sure that the points of view that have been urged this morning and this afternoon will not be shared by any right-minded Bengalee.

My friend, Mr. Ghuznavi, has referred to incidents that happened about a quarter of a century back, and he claimed that Bengalees were more Swadeshi than people of other parts of India. Sir, I remember that my friend used to be described as the "wrong Ghuznavi" in those days,—the Ghuznavi who was not with Government, in contradistinction to another Ghuznavi who was a very valued supporter of Government policy of those days. Now, Sir, I do not know whether my friend still claims to be described as the "wrong Ghuznavi" in the year 1933 . . .

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): He is now the right Ghuznavi.

**Mr. K. C. Neogy:** As my friend, Sir Muhammad Yakub, knows, he has degenerated into the very much right Ghuznavi.

**Sir Muhammad Yakub:** Regenerated.

**Mr. K. C. Neogy:** Now, if my Honourable friend, instead of making vehement and eloquent speeches in this House, were to turn his attention to this particular industry, if he, as a businessman, as an industrialist of experience, were to take advantage of the protection afforded by this measure, if he were to do a bit of pioneering work in the way of starting salt manufacture in Bengal, reviving that lost art which used to flourish in my province at one time, then certainly things would have been very much better in Bengal, and there would have been no necessity for my Honourable friend to get up here and plead the cause of the poor consumer, because what the poor consumer would be losing in one shape by way of additional duty, he would be reaping in another shape by building up a salt industry of his own.

**An Honourable Member:** Where? In the Sunderbans?

**Mr. K. C. Neogy:** One of the provisions of the measure, to which we seek to give an extended life today, is that a substantial portion of the proceeds of the additional duty goes to the provinces concerned, and when this measure was last under discussion in this House, it was confidently hoped not merely by non-official Members, but also by Government that the amount that would go to the coffers of the Provincial Governments in this manner would primarily be devoted to the furtherance of the interests of salt manufacture in those areas. It has to be confessed to our shame that the Government of Bengal have done nothing in this matter. It has to be confessed to our shame, again, that the people of Bengal have done nothing to take advantage of this measure of protection. I do not think . . .

**Mr. B. Das:** The Government of Bihar and Orissa were asked to give a subsidy. They did not give it, but spent all the money for their own purposes.

**Mr. K. C. Neogy:** Similar is the case with the Government of Bengal. She is more concerned in maintaining the policy of repression and all the money that she can get can be spent in only one way. Can it be said that we have tried to take advantage of this opportunity? We who claim to speak in the name of Bengal, in this House,—what have we done for the purpose of seeing that there was an honest and sincere attempt made to revive the long lost industry of salt manufacture on the sea coast of Bengal? Sir, I remember the days when salt manufacture was started as a measure of civil disobedience, and I will make a confession even in the presence of the Honourable the Home Member that in those days I committed the offence occasionally of purchasing contraband salt manufactured by the civil disobedience people. And I can bear testimony to the fine character of the salt that was manufactured near-about Calcutta from the salt swamps that abound in the neighbourhood of that City. Sir, I had the opportunity of having a discussion with some of the principal leaders of the civil disobedience movement who were interesting themselves in salt manufacture at that time. Unfortunately, I have not got the calculations with me, but then certain calculations were given to me to show that salt manufacture could be made a business proposition, on the facts gathered by them during the civil disobedience movement. Unfortunately, the Honourable the Home Member has locked them up for some time with the result that the people who could claim some amount of experience in this line are not in a position to give the benefit of their experience to the country by way

of starting salt manufacture. I do hope that, if not in the interests of the White Paper, at least in the interests of salt manufacture, the Honourable the Home Member will relent in his attitude and set these people at liberty. (Hear, hear.) I must confess that the case, as put forward in the Salt Committee report that we have before us, is not a very strong one. I really do not understand the reason why the northern India salt sources have failed to put into the Bengal market the amount of salt that they were expected to put. I dare say, the Honourable the Finance Member, when he gets up to reply to the debate, will give us a convincing statement as to why it is that we have been disappointed in this matter. In any case I am prepared to give the Government a further chance for one year just for the purpose of seeing once and for all as to whether there is any likelihood of our being able to depend upon the Government salt sources in northern India for the purpose of satisfying the demands that we have in Bengal for salt. If, at the end of the next year, we find that things have not improved in this direction, then certainly I will have to reconsider my position. But meanwhile, I do hope that Honourable Members, including my Honourable friend, Mr. Morgan, will put their heads together and try and find out some means of reviving the salt industry in Bengal.

**Mr. B. V. Jadhav:** I rise to support the motion moved by the Honourable the Finance Member. I think that the measure will be really beneficial to the whole country, at the same time in the long run I am quite sure that it will benefit Bengal also. In the course of the debate today provincial jealousies and better criticisms levelled against particular provinces have marred the harmony of this House. I do not want to contribute to any of these, but I have to say that Bengal and Bombay came under British rule and the merchants of Bombay and the people of Bengal began to imitate their rulers. The Parsee and the Bhatia merchants of Bombay imitated the industrial and trade instincts of the British people and began to thrive. They raised factories and extended their trade in all parts of India. The people of Bengal imitated the tastes of the British people and discarding their own local salt took to Liverpool salt. That is the root of all the trouble. In the last War, it was found that the supply of foreign white salt was not enough for the needs of Bengal and, therefore, profiteering on a very large scale went on and the poor people had to pay very heavily for even their pinch of salt. It then dawned upon Government that it was necessary that in the supply of such an important article of food as salt India ought to be self-contained and independent and, with that object, measures began to be taken.

The object of this legislation is to make India independent. If one were to insist upon a short-sighted policy and assert that no measure should be taken to protect the indigenous industry of salt manufacture and that foreign salt from the African coast and from Europe should be allowed without any taxation, then, Sir, not only the demands of Bengal will be supplied by foreign salt, but the other provinces like Bombay and Madras, which are manufacturing their own salt and supplying their own needs, will soon be glutted with foreign cheap salt and that industry will be totally killed. When an indigenous industry is killed, the foreign importers and the foreign manufacturers make combines, gradually raise prices and make huge profits. That the people suffer is the result. This calamity ought to be prevented and, for that purpose, measures taken by Government to make India self-sufficient in the direction of salt are very sound and good and I heartily support them. Bengal has no doubt on

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this account to pay a little higher price for the salt they consume, but the higher price they have to pay is much below the price they had to pay even before the War. At that time, the monopoly was with the importers and they were raising the price to suit their convenience. If the present salt industry is killed, then it goes without saying from past experience that the foreign importer and the manufacturer will again not fail to raise the prices and thus exploit the people of Bengal. And, therefore, even in the interest of the people of Bengal, the present measure deserves support. In former times, when foreign salt was not available, the people of Bengal were manufacturing sufficient salt for their own use and as has been just said by the Honourable Member from Dacca, the old manufacture can be revived and Bengal can be made to produce at least a portion of her needs. My Honourable friends from Bengal should, therefore, devote their attention to the revival of this lost industry and in this way make their province independent, not only from foreign manufacture of salt, but at the same time from the merchants of Bombay whom they do not love much. With these words, I very heartily support the motion of my Honourable friend.

**Mr. S. C. Mitra:** Mr. Chairman, I support this Bill. I like to explain my position. I think the Salt Act has served its purpose. The main purpose for which the Salt Import Duties Act was introduced was for steadying the prices and it has succeeded wonderfully in attaining the purpose. If we refer to the report of the Indian Tariff Board, we will find that for many years before the Import Duties Act, the price of salt was varying from Rs. 58 to Rs. 122 per hundred maunds and it was never steady. Nobody knew what should be the wholesale price. As regards the retail price, it was found that there was very little variation, whatever might have been the difference in the wholesale price. Before I committed myself to the principle of the Bill in the Salt Select Committee, I specifically asked to have information from the Government of Bengal as to what was the effect on the retail price of this import duty. The reply of the Government of Bengal is this:

"Retail prices as given in the *Calcutta Gazette* show considerable variations. Prices also take no account of variation in quality which is an important factor in comparing prices before and after April, 1931. Prices show that at 18 District headquarters out of 27, highest price between March, 1931, and April, 1932, was 2·7 pies per seer or more, above the lowest price during the same period. Additional duty plus surcharge is equal to 2·8 pies per seer. Again, at 22 District headquarters, price in April, 1932, was higher than in March, 1931, by a figure varying from one pie to 7·9 pies per seer. Prices appear to point to conclusion that increase in duty is not necessarily accompanied by an immediate increase in retail price. Lag is probably due to stocks held."

This is the latest information. Before we put any burden on the consumer, we wanted to see for ourselves if really the poor consumer suffered. I can now assure the House that it is not the consumer who is very much concerned, whether the duty is lowered or increased by a few annas; but my main complaint is against the Government of Bengal. They are now opposing this duty though it has been lowered from 4½ annas to 2½ annas, but I wanted to know from the Government of Bengal how they helped, at least on an experimental scale, to see that Bengal produced her own salt. From the very beginning I supported this duty on imported salt from the idea that certainly Bengal will be able to produce her own salt. I know that Government did not seriously consider that proposition.

**Sir Muhammad Yakub:** May I ask a question of the Honourable Member? Is it not a fact that they have got a big mountain of black salt in Bengal, which is exported to Simla and Delhi? Why don't they keep it confined to Bengal? Then, there will be no dearth of salt in that province.

**Mr. S. C. Mitra:** I tried to show that Bengal can produce her own salt and the position taken up by the Government of Bengal and also by the Government of India that Bengal cannot be expected to manufacture salt commercially is not correct. But even if Bengal fails to produce her own salt, I do not see why Bengal should not content herself, if India can produce the whole amount of salt necessary for Bengal consumption; and the report of the Chunilal Mehta Committee showed conclusively that even without depending on the salt from Aden, it could reasonably be expected that India herself would produce sufficient salt for consumption in Bengal. I agree that now we in Bengal have to depend more or less on salt from Aden, and the Indian producers are very seriously apprehensive of the competition from Aden. We in the Committee tried our best, but found that it was not possible under the present laws to discriminate in any way, so long as Aden forms part of India, between Aden salt and Indian manufactured salt; and as regards Aden itself, it should also be stated that 50 per cent. of the salt produced there is from three Indian manufacturers and the big Italian firm produces the other half. But there is a further condition that they cannot sell any of the salt produced in Aden to anybody else except to India, and, so far as I know, all the lands utilised for salt manufacture belong to Government who can always lay down strict terms. So, in case of necessity, the Government of India can regulate the production to a great extent. In the Committee we further thought that under the new constitution if Aden goes out of India, certainly then we shall be in a position to discriminate against Aden. Now, going back to the question of Bengal producing her salt, I must tell my friend, Mr. Jadhav, that it was not due to any peculiar taste for Liverpool salt that the Bengalee has taken to using that salt. I would here refer him to the report of the Indian Tariff Board at page 8 whereof they say:

"In 1898, local manufacture was entirely prohibited."

So, it was not due to their preference for one kind of salt or other, but the local manufacture was entirely prohibited; and they had no other course left but to consume foreign salt. In that connection, I would like to read from page 7 of the Tariff Report to show that Bengal used to produce her own salt in the old days. At page 7, the Tariff Board report says:

"The low salinity of the sea water of the Bay of Bengal and climatic conditions combined to make boiling the only possible process of manufacture in this part of the country. A system of monopoly was developed by the East India Company and survived till 1862. But by 1835 Cheshire salt began to find its way to Calcutta, where partly owing to its superior quality and cheapness and partly perhaps as a result of the direct encouragement of the East India Company its sale rapidly extended. In 1863 Government abandoned the monopoly and local manufacture was permitted subject to an excise duty. Owing to the weakness of the brine supply, lack of fuel and other natural disadvantages, the cost of production of local salt far exceeded the selling price of imported salt and in 1898 local manufacture was entirely prohibited. Since that time, the Bengal salt market has been supplied almost entirely from foreign sources."

I would also like to refer to a book, the author of which is my esteemed friend, Mr. B. Das, about Salt Manufacture in Ancient Orissa. There he refers to certain questions that came up before the House of Commons in

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1853. Mr. Frederick J. Halliday, Home Secretary to the Government of India, in his evidence before the Select Committee, said this. The question (No. 7596) was:

"Will you state to the Committee, supposing all duty were taken off the import of salt and the Government abandoned any interest in the manufacture of salt, leaving the manufacture of salt free to the natives, without any excise duty, or any impediment, what in your opinion would be the effect upon the importation of salt in India? . . . . It is generally understood by those best acquainted with the subject, and it cannot be denied by anyone, who looks into the details, that the present price of the Government manufactured salt in Bengal is very much raised to the consumers in the market by the necessary want of economy, not to say extravagances, connected with the Government system of manufacture and by those many speculations and extortions and corruptions which are inevitable in such a system and carried on with such instruments. It has seemed almost certain under these circumstances, to persons informed upon the subject that if the Government were to withdraw, if there were no duty imposed and the whole were left perfectly free, the native manufacturer in Bengal would forthwith completely and entirely undersell the imported salt and there would not be a grain of salt imported into Bengal."

So the theory that salt cannot be produced in Bengal, I say, is of great importance. The facts do not conclusively go against local manufacture. Even in Mr. Pitt's report in Chapter II, he does not say that he had any conclusive evidence. I shall refer to his report on the investigation into the possibilities of salt production in Bengal and Bihar. On page 4, in paragraph 5, he says:

"In the case of the present enquiry, since no works yet exist nor have, any but suggestions regarding projects, supported with somewhat scant detail, been submitted for examination, I am able only to report on the possibilities of the areas, where it is considered that salt might be manufactured, in a general manner. I have, by the courtesy of prospective manufacturers and local officials, been able to form what may prove to be roughly accurate estimates of costs relative to salt manufacture, but it must be borne in mind that the figures given are estimates only, and may be subject to considerable modification in the light of actual experience."

Later on, in para. 7, he goes on to say:

"Scrutiny of the history of salt manufacture in Bengal and Orissa reveals the fact that on the coast of Bengal salt has never been manufactured by the process of solar evaporation; the same statement appears to hold good in respect of the coast of Orissa as far south as the Chilka Lake, at which point manufacture by solar evaporation was formerly in vogue. Since, however, no salt manufacture has been done on the Bengal and northern Orissa coast for some 40 years, it appeared to be worth while investigating the meteorological data which would influence the production of an evaporation source in these areas, in view of the facts that no attempt to manufacture salt in this way on modern lines has been made, that there is undoubted advantage in respect of economy in working by this method, and that Bombay, where meteorological conditions do not at first sight appear to be markedly different to those in the areas under reference, produces large quantities of salt by solar evaporation."

So far as I can see, I find that what he says is that by solar evaporation it may not be possible to manufacture salt economically in Bengal; in all previous cases it was by the other process of boiling that salt was produced and that depends mainly upon the strength of the brine. With that point he deals in his paras. 12 and 14 thus:

"In my opinion it would be desirable to commence immediately compiling a series of readings of the strengths of brine at different points along the coast throughout the year, in order to discover during which period the strength of the brine rises to a density suitable for manufacture of salt. The collection of brine samples from different areas might be made by officers of the Local Governments who could, with respect to their normal duties, most conveniently carry out this work and the analysis might be made by the Government Test House, Alipore, any cost incurred in this way being charged to the special import duty fund."

In his last paragraph he said that the evidence is not reliable. He says:

"I have indicated that the absence of working records of salt production has, in some degree, hampered this enquiry. The reliability of evidence taken in the coast villages is, I fear, vitiated by the fact that the persons from whom enquiries were made were under the impression that I wished to purchase firewood in large quantities, to hire several of their boats, or to take other action which might affect them personally."

So, what Mr. Pitt wanted was a thorough examination and he wished that the Government of Bengal, through the Government Test House, Alipore, should make proper experiments. Now, the Government of India, during the first year, gave the Bengal Government more than five lakhs for 12 months and for the next six months more than three lakhs to make experiments and to find out whether there was any chance for Bengal to produce her own quantity of salt.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

My friend, Mr. Neogy, said that no efforts were made by the local people. I know from my personal experience that several people tried, but they were not encouraged in the least by the Government of Bengal. Perhaps they have not spent a pice out of this quota of seven-eighths that the Government of India were pleased to send back to the Government of Bengal. The amount was spent perhaps for law and order or other expenses, but no serious attempt has yet been made to see if salt can be manufactured on a larger scale and economically in Bengal. Therefore, I say that the Government of Bengal has no case to complain. On behalf of the villagers, namely, those who buy in the retail market, they are getting salt at a rate which is not at all high. I have my grave doubts that if there had been no duty, there would have been combines and there would have been other troubles by which the consumers in Bengal could not have expected even to get salt at the price at which they are getting it now. Even if you calculate at Rs. 66, which is a very fair price, the price of salt comes to one pice per seer. But the Bengal consumers are getting salt at about Rs. 45 per hundred maunds now, which means that the price of one seer of salt is two pies, i.e., two thirds of a pice. On these grounds, I think that there cannot be much legitimate criticism even from the poor consumer's standpoint about Government putting duty on the imported salt and trying by the surplus amount of money to develop the Northern India sources so that at some time, if not in the near future, especially in times of war, it will be possible for India to be self-sufficient even without depending upon any assistance from Aden. On these grounds, I support this Bill.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I move that the question be now put.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): I accept the closure. The question is that the question be now put.

The motion was adopted.

The Honourable Sir George Schuster: Sir, this has been a very good Swadeshi debate and I do not want to spoil it by the introduction of too much foreign matter. So that I will try to be as brief as possible. In

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any case I should feel some trepidation in descending into the arena between the combatants on both sides in this fight between Bombay and Bengal, or, within narrower limits, between the so-called right-minded and wrong-minded Bengalees, or, if one might narrow it still further—I see Mr. Ghuznavi is not in his seat,—between the internal conflict that seemed to be going on between the “right” Ghuznavi and the “wrong” Ghuznavi.

I was grateful to my Honourable friend, who has just spoken, because on many points I think he has recalled the course of the debate to the points which are really relevant. He mentioned at the outset of his speech the fact that the main object of this whole scheme was to create a position of stabilized prices and to avoid fluctuations in prices and that, in that respect, at any rate, the plan had been entirely successful. My Honourable friend also referred to a point which, I think, is of very great importance and that is that in considering the effect on the consumer it is important to know exactly what the effect is on the ultimate retail consumer. It is after all the poor man who buys salt in small quantities whom we all have in mind when we talk about consumer's interests. Now, on that particular point, the evidence is not very full and I am not at all satisfied myself that we have sufficient evidence to show us exactly what happens as regards the ultimate retail price. But on one thing I am fairly clear and that is that when the wholesale prices of salt are liable to serious and wide fluctuations, it is probable that the ultimate retail consumer gets the worst of the bargain; that is to say, that he does not get the full benefit of any sudden drop in price, but rather that the retail price will tend to remain at the higher level of the two points between which the price can fluctuate. It would be very interesting if we could get more accurate evidence than is available of what was the position in the days when the wholesale price of salt was fluctuating very violently.

Now, Sir, in what has been said I find that I stand between those who have attacked this motion and those who have supported it or at least some of those who have supported it. It has been spoken of, for instance, particularly by my Honourable friend from Karachi, Mr. Lalchand Navairai, in terms of a scheme of protection. I wish to clear up that particular point. We have always been—I mean those of us who had to try and consider what should be done in this matter—in a very great difficulty because, the Tariff Board, in the earlier part of their report, made it quite clear that there was no real case for protection either for Aden or for the sources of supply in India proper at least so far as concerns the sea coast sources, such as, Karachi, Okha, etc. On the other hand, in their final conclusion they recommended a scheme which, in effect, would have operated in its practical effect very much like a scheme of protection. Now, what is the essential difference between the scheme which they recommended and a protective scheme? If we understand this, we really get to the key of the matter. It has always seemed to me that the position is this. The Tariff Board said that if the salt industry could be guaranteed a stable price at a fair level, then the Indian industry could develop on the one hand and on the other hand the consumer would not on an average have to pay more than he would pay if the market was left to take its own course. That is the basis of the whole idea. Now, the Tariff Board, as is well known, proposed that this plan should be worked out by Government undertaking a sort of marketing board and actually themselves purchasing

all the salt that had to be imported from abroad to supply Bengal's needs as well as all the internally produced salt. We found that that was not a practicable scheme and, therefore, we tried to find a means of producing the same result. The means that we proposed looked even more like protection than the Tariff Board's own plan. We proposed to produce the same result of stabilised price level by imposing an import duty on foreign salt at such a level as would bring the price when added to the current market price for that quality of salt to Rs. 66 per hundred maunds which was the price which the Tariff Board thought would produce the results which were desired. If we had left it at that, we should have introduced a frank scheme of protection. But, balancing that proposal, was the other proposal which is of vital importance, and which has not, I think, been mentioned sufficiently by those who have attacked this scheme, that Government should take power to purchase salt from all those producers of salt who were in a position to take advantage of the import duty at the fair selling price of Rs. 66 a hundred maunds. Therefore, we had a control both ways; we introduced measures which would keep the price from going too low and, on the other hand, we had the balancing power to keep the price from going too high. Now, if the original premise is correct and if the price that we fixed did represent a price which on an average would not be higher than the average price which the consumer would have to pay if the market were left to itself, then I think no one could criticise the plan. But since the Tariff Board reported the essential difficulty which has come into the picture and the reason why we have felt it necessary to reconsider the whole position is that the general price level for all commodities has fallen to such a tremendous extent that one can hardly continue to accept without question that price of Rs. 66 a hundred maunds which the Tariff Board fixed 2½ years ago. It seemed to us that the guarantee to the consumer of being able to buy salt at that price had lost its attraction, that in relation to the prices of other commodities we had to think in terms of something very much lower than Rs. 66 a hundred maunds in order to provide a justification for our scheme, and that, in fact, if we tried to keep the price up to anything like Rs. 66 a hundred maunds, we should really be putting a very substantial burden on the consumer. That was our view of the position and it was not because we felt that the scheme has been proved to be wrong, but because the price level, on which the original plan was based, seemed to have got out of adjustment with realities that we felt it necessary to reconsider the matter. Having arrived at that position, those, who had to consider what ought to be the principles, found themselves in a very difficult position. The original price of Rs. 66 a hundred maunds had been fixed after careful inquiry by the Tariff Board. On what basis were we to assess a new level? Well, frankly we found ourselves unable to suggest any scientific basis. There was indeed one factor which had definitely altered, on which we had got absolutely reliable and accurate evidence, and that was the sea freight factor, and that seemed to make it justifiable to reduce the price by Rs. 9-4-0 a hundred maunds. But, beyond that, it was quite clear that other factors were at work, because the competition which had developed inside the tariff wall had already forced the price down to considerably lower than Rs. 66 a hundred maunds, and indeed lower than that by more than the fall in the general level of freights. Well, Sir, we have made it quite clear in our report that what we are now proposing is frankly an experimental measure. So far as the maximum price at which Government can buy is concerned, we have worked



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on the basis of the Tariff Board's figure less the drop in freights. But, so far as the duty is concerned, we have provided for a much bigger drop; that is to say, if we take the current price of duty-free salt less duty and add to it the reduced duty which we now propose of Rs. 2-6-0 a maund, it may be expected that salt will sell in Calcutta at something like Rs. 43 a hundred maunds, as compared with the maximum price at which we are taking the power to purchase salt, of Rs. 56-12-0, including commission. It is frankly an experiment and we want to see what will happen as a result of this measure. We think the consumer will get his salt at a price very little above what he would have to pay even in these times of depressed prices without any Government intervention. But the merit of the proposal must not be tested merely by the comparison of what the consumer would have to pay today if the market were free with what he has to pay with the scheme imposed. When prices are low, obviously he has to pay rather more than he would otherwise pay, but we hope that when prices rise, the consumer will get a substantial advantage on the other side of the account by virtue of the Government's power to keep the price down to a certain maximum figure. That, Sir, is how we view the position; but we feel that the proposal being entirely experimental the Bill should have force for 12 months only and that the whole situation must be reviewed again at the end of the 12 months. If, at the end of the 12 months, it could be established,—and I say “if” because it will be a difficult thing to establish,—that even this lower price, which will be the result of our reducing the duty, now represents something more than can be regarded as a reasonable average expectation for a price level of salt for a period of years, then I think we should have to say that the scheme was putting a substantial burden on the consumer; and in that case it would not be justifiable to continue the measure further. If that resulted, it would then be necessary to consider whether the development of the inland sources of supply, such as Khewra, was sufficiently in the national interest to justify the Government in subsidising the production of salt at Khewra. We should then have to reconsider the whole position in different circumstances. That, Sir, as clearly as I can put it, is the way in which I view the position. I feel sure that in all the circumstances the measure which we are now putting forward is the best proposal that could be made at present and is the fairest to all the interests concerned. I trust, therefore, that the House will agree with the Government view in the matter and with the view of their own committee. The matter has, I think, been very fully debated and I think the House can accept it that whatever view is expressed now is a thoroughly informed view.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

“That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration.”

The motion was adopted.

Clause 2 was added to the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is that clause 3 stand part of the Bill.

**Mr. G. Morgan:** Sir, I beg to move the amendment which stands in my name:

“That in clause 3 of the Bill, after the words ‘said Act’ the following be inserted: ‘after the word ‘salt’ the words ‘other than Liverpool salt’ shall be inserted and’.”

This is really a question of Imperial Preference, and I base the claim for that on the fact that Liverpool salt, only a certain quantity of it, which is consumed is about 60 to 70 thousand tons of a special quality. And my argument is strengthened from the fact that all the interests of the Indian salt industry came to the conclusion that Liverpool salt being of a special quality and selling at a different price and not competing with any salt made by the Indian industry, could safely be allowed to come in free of duty. That is really all that I have to say in the matter and I leave it to the House. Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

“That in clause 3 of the Bill, after the words ‘said Act’ the following be inserted: ‘after the word ‘salt’ the words ‘other than Liverpool salt’ shall be inserted and’.”

**Mr. K. C. Neogy:** Sir, I would not have participated in the debate on this amendment at all but for the fact that my Honourable friend, Mr. Morgan, sought to justify it on the ground of Imperial Preference. If I had my own way and if my friends on this side had their own way in the matter, they would have imposed a higher duty on Liverpool salt, having regard to the past history of the salt industry in Bengal.

I had occasion once to go into the full history of how the salt industry of Bengal was destroyed in the interest of Liverpool salt. That was a few years ago in connection with the discussion that was raised on a motion moved by Mr. Kelkar as a result of which the salt enquiry was entrusted to the Tariff Board. I am speaking from recollection, but it is as well that I should give a brief history of the manner in which the salt industry of Bengal was destroyed in the interests of the British manufacturers. Sir, during the early days of the East India Company, it was found that the Company's servants could not be kept from corruption and the authorities of the East India Company set about trying to devise measures for the purpose of preventing corruption, and the measure that was ultimately adopted was something in the nature of Lee Concessions, giving them some more emoluments, so as to improve their morality in this matter. But wherefrom was additional revenue to come? Salt manufacture in those days was a matter of entirely private concern. It was, therefore, decided that the Company must take over the manufacture of salt as a monopoly in order to enable the Company to give additional emoluments to its servants out of the profits that the Company would be making from the salt manufacture. This is the history of how the East India Company came to acquire the monopolist interest in the salt manufacture in Bengal. Some time passed and then it was suggested by the manufacturers of salt

**The Honourable Sir George Schuster:** Sir, I do not wish to interrupt my Honourable friend's eloquence, but as we are nearing the conclusion of this matter, I think it might perhaps shorten the discussion if I explained what the Government's attitude on this amendment would be. Our position in



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the matter is this that this proposal is quite outside the scope of the plan which was considered by the Salt Assembly Committee, and I feel that we must also regard it as outside the intention of the Assembly when they referred the matter to the Salt Assembly Committee. I do not by that mean to say that the plan is necessarily a bad one, because if it could be established that Liverpool salt was not competitive, then in the interest of the consumer it might be quite justifiable not to impose a duty at the same rate on the Liverpool salt. But we could not possibly support such a plan on the Government side without a full enquiry in the matter and that enquiry has not yet been held, so that, at the present stage, Sir, Government's attitude would have to be one of opposing this amendment.

**Mr. K. C. Neogy:** Sir, I think I may be allowed just two minutes to complete my argument against the principle of Imperial Preference for the recognition of which my Honourable friend pressed his amendment.

Now, Sir, to resume the story, the manufacturers in England approached the East India Company in those days and pointed out that if it was revenue alone that they wanted, why could not they realise the revenue with the help of the salt that might be imported from England. They pointed out that it was very wrong that Indians should be made to consume salt which was not quite as clean as the Liverpool salt. Then started the inflow of foreign salt from England. The East India Company found that it was far easier to depend upon Liverpool industry to supply the necessary salt to India, than continue its manufacture in the country as a monopoly, while, at the same time, they would be assured of the necessary funds for the purpose of paying the Lee Concessions to their officials. When, for the first time, this clean Liverpool salt was introduced into Bengal, it was found that the people would not take to it, because of the very fact that it was much cleaner than the salt to which they were accustomed, the Swadeshi manufacture. This is very relevant to the point that was raised a few minutes ago as regards the taste of Bengal, as to the manner in which the taste of Bengal was determined, and these worthies actually used to mix a percentage of dirt into Liverpool salt in order to palm it off as the Swadeshi manufactured salt (Laughter), so that the objection on the part of the Bengalee consumers could be removed. This is how gradually the salt imports from England substituted the home industry in Bengal. I do not think it necessary for me to make any further comments on this subject, but I think I may once more repeat that, if we had our own way, we would have put a much higher duty against Liverpool salt than against non-British foreign salt.

**Mr. B. Das:** Sir, I entirely agree with what has fallen from the lips of the Honourable the Finance Member. I can appreciate the spirit of Mr. Morgan in asking for the removal of protection duties for the interests (the British commercial interests) which he represents in this House, but on the floor of this House I condemn the Bombay Salt Manufacturer's Association which has had the audacity to send this atrocious telegram to the Government of India. I will just read the particular atrocious passage from that telegram:

"Discontinuance at present stage will mean ruination of all new concerns. In view of larger outputs already made by Indian works in 1932 and in view of steadily increasing quantities year by year Association confident that between India and Aden together with special qualities from Liverpool as also Khewra, foreign imports need not be allowed except Liverpool to extent of its last year's imports and not exceeding fifty thousand tons."

Sir, I call the Bombay salt manufacturers traitors; they are traitors to Mother India and I condemn them as such.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in clause 3 of the Bill, after the words 'said Act' the following be inserted:  
'after the word 'salt' the words 'other than Liverpool salt' shall be inserted and'."

The motion was negatived.

**Mr. G. Morgan:** Sir, I beg to move:

"That after the word 'substituted' the following be inserted:

'and after the words 'per maund' the words 'provided that in the case of Liverpool salt the additional duty shall be levied at the rate of one anna per maund' shall be inserted'."

I have no other arguments to advance in favour of this amendment, but, from what fell from my Honourable friend, the Finance Member, I shall be very glad to withdraw this amendment if he will give me an assurance that Government will inquire into the position of Liverpool salt in the Bengal market, so that when we have this so-called experimental measure coming up again, we might be in a better position to judge as to how we should treat certain classes of salt for the Bengal market.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That after the word 'substituted' the following be inserted:

'and after the words 'per maund' the words 'provided that in the case of Liverpool salt the additional duty shall be levied at the rate of one anna per maund' shall be inserted'."

**Mr. B. Das:** Sir I oppose it.

**The Honourable Sir George Schuster:** Sir, I have no objection at all to undertaking to carry out departmental inquiries into this matter and including a report upon it in the report which the Central Board of Revenue furnish every year to the Assembly and to the Salt Committee on the working of the whole of the Import Duty Act for the year. But, obviously, in giving that undertaking, I cannot commit the Government or the House to accepting any principle of this character. I am quite prepared, as I say, to give my Honourable friend the undertaking that we will inquire into it and include information upon it . . . . .

**Mr. S. C. Mitra:** What is the inquiry about? From what point of view?

**The Honourable Sir George Schuster:** An inquiry into the position of Liverpool salt in the Calcutta market. I understand that what my Honourable friend wishes to do is this: to ascertain whether any useful purpose as regards the Indian production of salt is served by imposing a duty on Liverpool salt. If it can be established that Liverpool salt is an entirely special article which has its own market and its own price in no

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way competing with Indian salt, then a case might presumably be made out for reducing the duty on Liverpool salt and thereby relieving the consumer. That is the point which I understand my Honourable friend wishes to have information about. What I am prepared to say is that we are quite ready to give instructions to the Central Board of Revenue to include a paragraph or paragraphs on that subject in the report which they will furnish on the operation of the additional Salt Duty Act for the year 1933.

**Mr. G. Morgan:** Sir, in view of what the Honourable the Finance Member has said, I beg leave of the House to withdraw my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Is it the pleasure of the House to give leave to Mr. Morgan to withdraw his amendment?

**Several Honourable Members:** No, no.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That after the word 'substituted' the following be inserted:

'and after the words 'per maund' the words 'provided that in the case of Liverpool salt the additional duty shall be levied at the rate of one anna per maund' shall be inserted'."

The motion was negatived.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is that clause 3 stand part of the Bill

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

**The Honourable Sir George Schuster:** Sir, I move that the Bill be passed.

**Mr. Gaya Prasad Singh:** Sir, as the question of my province has been mentioned more than once in the debate, I think it is my duty to offer a few observations. While I yield to none in my desire to prevent any undue burden being placed on the poor consumers of my province, I think it also patriotic on the part of my countrymen to try their best to displace foreign salt, especially the Liverpool salt, from the markets of India; and for this purpose even if a small additional duty for the time being has to be imposed upon foreign salt, I think we should cheerfully bear that burden in the interests of the country. The Taxation Inquiry Committee reported a few years back that India should be made self-supporting in the matter of salt supply, and I understand the policy of the Government has been directed to achieve that end. The Tariff Board made an

inquiry into this question, and it was also gone into by the Central Board of Revenue which at first, as I understand, reported that there was no case for an inquiry. Later on, this House appointed a Committee, and that Committee has been producing its reports periodically. That Committee also reported that an additional duty is necessary in the interests of protecting the indigenous industry. Liverpool salt is tainted with immoral associations as has been pointed out by my friend, Mr. Neogy . . . . .

**Mr. F. E. James** (Madras: European): Has it lost its savour?

**Mr. Gaya Prasad Singh:** That the steps that we took in trying to displace foreign salt from the market of India, especially from the Bengal and Bihar market, have borne fruit will be amply borne out by the report of the Central Board of Revenue itself. This is what the Central Board of Revenue say at page 6 of their report:

"The imposition of the additional duty on foreign salt has had the effect of stabilising prices in the Calcutta market which now approximate the fair selling price fixed by the Tariff Board. This stabilisation of prices is bound to enable salt from northern India sources and from Karachi, Okha and Aden to compete with foreign salt in Bengal, Bihar and Orissa, and Assam. Arrangements for the supply of white crushed salt from Khewra to the markets now supplied from abroad are progressing rapidly as stated above, and these aided by the substantial concessions in freight sanctioned by the railway administrations will forward the interests of the indigenous industries. The firms in Karachi are also making headway."

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): What time does the Honourable Member propose to take?

**Mr. Gaya Prasad Singh:** I will take considerable time, Sir.

The Assembly then adjourned till Eleven of the Clock on Friday, the 24th March, 1933.

## LEGISLATIVE ASSEMBLY.

Friday, 24th March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

### QUESTIONS AND ANSWERS.

#### TROOPS FROM BRITISH INDIA SENT TO THE ALWAR STATE.

907. \*Mr. Gaya Prasad Singh: With reference to my starred question No. 712 of the 8th March, 1933, will Government kindly state whether troops from British India were sent to Alwar at the request of the State or not?

Mr. H. A. F. Metcalfe: Troops from British India were not sent to Alwar at the request of the State. They were sent under the orders of the Governor General in Council in fulfilment of the responsibilities of the Paramount Power for the peace and tranquillity of India as a whole as Government were satisfied that there was immediate danger of grave disorders and bloodshed unless the troops were despatched.

Mr. Gaya Prasad Singh: Are Government prepared to lay on the table of the House the correspondence which may have passed in connection with the sending of troops?

Mr. H. A. F. Metcalfe: I should like to know what correspondence the Honourable Member is referring to? I can certainly not lay on the table the correspondence between the Government of India and the Durbar if that is what he means.

Mr. Gaya Prasad Singh: My question was a general one,—the correspondence which may have passed in connection with the sending of troops. It may be either with any Local Government or otherwise.

Mr. H. A. F. Metcalfe: No, Sir. Such correspondence is confidential.

#### RULES FOR THE RECRUITMENT AND TRAINING OF SUBORDINATE STAFF ON THE EAST INDIAN RAILWAY.

908. \*Lieut.-Colonel Sir Henry Gidnev: (a) Will Government be pleased to state whether the Agent of the East Indian Railway has, under the instructions of the Railway Board, issued a circular under the caption "Rules for the recruitment and training of subordinate staff" in October, 1932?

(b) If the answer to part (a) be in the affirmative, will Government please state whether they propose to publish these rules in the *East Indian Railway Gazette* for the information and guidance of the employees governed by these rules?

**Mr. P. R. Rau:** (a) Yes.

(b) I will convey the Honourable Member's suggestion to the Agent for consideration.

**RULES FOR THE RECRUITMENT AND TRAINING OF SUBORDINATE STAFF ON THE EAST INDIAN RAILWAY.**

909. **\*Lieut.-Colonel Sir Henry Gidney:** (a) Is it a fact that in the revised rules for the recruitment and training of subordinate staff on the East Indian Railway it has been laid down that in each case of selection "a positive act of selection should be performed"?

(b) If the answer to part (a) be in the affirmative, will Government please state whether the official performing the "positive act of selection" will record in writing the specific reasons that led him to make this selection? If not, why not?

(c) Is it a fact that under these revised rules no appeal lies against any such "selection" made? If so, why?

(d) Do Government propose to revise this circular?

(e) Will Government please state what will be the criteria when making such selections?

(f) Will Government please state whether the method of promotion by selection will be applied in every case of promotion? If not, will Government please state the posts to which promotion will be made by this method of selection?

(g) Is it a fact that junior scale officers are also empowered to make such 'selections'?

**Mr. P. R. Rau:** (a) Under Rule 61 of the Rules, Selection Boards are required to make a definite act of selection after giving due weight to seniority and other relevant factors.

(b) I understand that this is not done at present; but the question of requiring it to be done in future is being considered.

(c) I am informed that the rules do not debar the aggrieved party from appealing to the proper authority.

(d) No.

(e) The criterion is merit, due regard being given to seniority and all other relevant considerations.

(f) Promotion to selection posts only will be made by selection. Under the Rules framed by the Railway Board, it is left to the Agent to specify selection posts or selection grades in the cadre of each Department. The posts so specified in the East Indian Railway are:

- (1) All Inspectors in the Transportation Department.
- (2) Controllers.
- (3) Assistant Running Shed Foreman, and
- (4) Station Superintendents.

(g) The Rules provide for selection by Selection Boards and not by a single officer. The Agent has also the discretion to require the names of candidates selected by Divisional or District Selection Boards to be submitted for final selection to a Central Selection Board.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member kindly inform this House what exactly he means by the phrase "relevant factors"?

**Mr. P. R. Rau:** I am afraid I cannot define relevant factors. It is left to the discretion of the authority making the selection to consider what factors are relevant.

**Lieut.-Colonel Sir Henry Gidney:** In view of the Honourable Member's reply, will he inform this House why the word "relevant" finds such a specific place in the answer that he has given?

**Mr. P. R. Rau:** In order to exclude irrelevant factors. (Laughter.)

**Lieut.-Colonel Sir Henry Gidney:** That reply is merely a valve of negation. Will the Honourable Member kindly tell us what he really means by relevant factors? It is a very simple matter.

(No answer.)

**Lieut.-Colonel Sir Henry Gidney:** In view of the Honourable Member's reply that appeals can be made against these selections, will he inform this House whether it is permissible to any railway employee who feels himself aggrieved to appeal to the Railway Board? If the answer be in the affirmative, will the Honourable Member assure this House that the Railway Board will take action and not refer it to the Agent again with the stereotyped reply?

**Mr. P. R. Rau:** I am not surprised that my Honourable and gallant friend finds it difficult to distinguish between relevant and irrelevant matters. This question is one of the latter. (Laughter.)

**Lieut.-Colonel Sir Henry Gidney:** If the Honourable Member wants to be ambiguous and fictitious, I won't ask any more questions, but I want to know in all seriousness whether the employee has got the right of appeal to the Railway Board, and, if so, will the Railway Board take notice of it and not give the stereotyped reply that the matter is entirely one for the Agent to deal with and that it cannot or is not prepared to interfere?

**Mr. P. R. Rau:** I have said that the rules do not debar an aggrieved party from appealing to the proper authority. The question whether the Railway Board is the proper authority will depend upon the circumstances of each case.

**Lieut.-Colonel Sir Henry Gidney:** That is rather vague. Will the Honourable Member kindly tell us whether the Railway Board will attend to such appeal, or will it not?

**Mr. P. R. Rau:** If an appeal lies to the Railway Board, the Railway Board will give it its best consideration.

**Lieut.-Colonel Sir Henry Gidney:** In view of the Honourable Member's reply to part (g) of this question, is it or is it not a fact that these selections are always made by a selection committee and not on the recommendation of the senior departmental officer?

**Mr. P. R. Rau:** Selections are made by a selection board, but they would certainly take into consideration the recommendation of the officer concerned.

**Lieut.-Colonel Sir Henry Gidney:** Is it or is it not a fact that these selections are entirely dependent on the recommendation of the senior officer, or do they ever go against his recommendation?

**Mr. P. R. Rau:** I am afraid I cannot answer that question without taking a census of the decisions of these selection boards.

**Lieut.-Colonel Sir Henry Gidney:** Is that a relevant question?

**Mr. P. R. Rau:** I agree that is not a relevant question. (Laughter.)

**Mr. Lalchand Navalrai:** Will the Honourable Member kindly tell us if these selection boards are really doing useful work?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That is asking for opinion.

**Mr. Lalchand Navalrai:** Will the Honourable Member kindly tell us whether the Railway Board has got power against these selection boards either by way of an appeal, or by way of revision, or superintendence?

**Mr. P. R. Rau:** I have already answered that question in reply to my Honourable and gallant friend.

**Mr. Lalchand Navalrai:** I did not follow the Honourable Member's answer.

**Mr. P. R. Rau:** I have already said in reply to a previous question that if the Railway Board is the proper authority in this matter the appeals when received will have due consideration.

**Mr. Lalchand Navalrai:** Who is the authority that will decide whether there is an appeal or not?

**Mr. P. R. Rau:** It depends upon the circumstances of each case. It must be obvious that the selection for the post of an Inspector in the Transportation Department will require a different procedure from that for the selection for a higher post.

**Mr. Lalchand Navalrai:** Who decides in the Railway Board whether there is an appeal or not?

**Mr. S. O. Mitra:** There are rules and regulations about appeals.

**Mr. P. R. Rau:** I think I can only say in reply to my Honourable friend's question that the Railway Board must be considered as one and indivisible.

**Mr. M. Maswood Ahmad:** Is there anything to show in what cases appeals ought to be sent to the Railway Board?

**Mr. P. R. Rau:** There are certain rules regarding appeals and memorials which, I believe, are in the Library of the House.

#### AMALGAMATION AND SEPARATION OF THE CADRES OF INSPECTORS OF RAILWAY MAIL SERVICE AND INSPECTORS OF POST OFFICES.

910. **\*Mr. Muhammad Muazzam Sahib Bahadur:** (1) Will Government be pleased to state if it is a fact:

(a) that the cadres of Inspectors of Railway Mail Service and general line men in the Posts and Telegraphs Department were distinct and separate until 1927 when they were amalgamated;

(b) that they have again been separated from the 15th March, 1932;

(c) that officials, who were originally Inspectors, were posted to work in the general line and *vice versa* during the short period when the two cadres came to be treated as one;

(d) that Inspectors have to pass an examination before they are appointed as such;

(e) that Inspectors posted in the general line have, during the short period of amalgamation, become mixed up with unpassed hands and continue to be so after separation;

(f) that as a result of the separation in March, 1932, Inspectors placed in the general line are being denied the option of reverting as Inspectors?

(2) Are Government aware that Inspectors, who continue in the general line, feel aggrieved by the loss of status thereby caused and are they prepared to restore them to the cadre they were in before the amalgamation?

(3) Is it a fact that Messrs. Mangal Sain Jairu, Narsingh Das and Govind Pershad Tandan, Inspectors of the Railway Mail Service in the United Provinces Postal Circle, before the amalgamation, who happened to be in the general line on the 15th March, 1932, have been reverted to the Inspectors' line? If so, why is similar treatment denied to Inspectors in other Circles who happened to be working in the general line in March, 1932?

**Sir Thomas Ryan:** The points raised by the Honourable Member are being examined and a reply will be placed on the table in due course.

#### DEBT WHICH INDIA OWES TO OTHER NATIONS, INCLUDING GREAT BRITAIN.

911. **\*Lala Rameshwar Prasad Bagla:** (a) Will Government please state the total amount of debt which India owes to other nations, including Great Britain?

(b) Is it not a fact that a very considerable part of this debt was borrowed by India to pay her share of the War-loan and to meet the huge expenditure incurred during the War?

(c) Are Government aware that the European countries represented by Great Britain and France have been continually crying for the cancellation of the War Debt and reparations?

(d) Will Government please state if they are conscious of the general feeling of dissatisfaction, which the non-cancellation or settlement in part of the debt taken by them in order to contribute towards the cost of the Great War has given rise to amongst the public?

(e) Will Government please say if they ever attempted to approach Great Britain or any other nation from whom India has borrowed large amounts of money during the War to cancel such war-debts?

(f) If the reply to part (e) be in the affirmative, will Government please lay on the table a copy of the entire correspondence exchanged on the subject?

(g) In case Government have made no efforts in this connection so far, are they prepared now to assure the House that they would start necessary negotiations at once?

**The Honourable Sir George Schuster:** (a) The exact meaning of the question is not clear, but I presume that the Honourable Member wishes to know the total of the Government of India's external obligations, although these cannot accurately be described as debts owed by India to other nations. For a full statement of the Government of India's external obligations I would refer the Honourable Member to Appendix II of the Financial Secretary's Memorandum issued with the budget papers. This shows loans £315.62 millions, War Contribution £16.72 millions, other obligations £47.98 millions.

(b) The only item in these obligations which falls within the terms of this part of the question is the item of £16.72 millions War Contribution which represents the capital value of the liability still outstanding in respect of that portion of the liability of the 5 per cent. British War Loan, 1929-47, which was taken over by the Government of India as part of their contribution of 100 millions towards the cost of the War.

(c) The facts are not as stated in the question.

(d) No.

(e) to (g). These questions seem to be based on a misapprehension of the position, because India was not forced like Great Britain to borrow large sums of money from other nations during the war. As regards the action taken recently by the Government of India, the attention of the Honourable Member is invited to paragraph 47 of my budget speech. The Honourable Member can rest assured that the Government of India is taking every possible step to ensure that India shall benefit from any arrangement that may be come to as regards war debts, but the parties to such an arrangement must be mainly His Majesty's Government and the Government of the United States.

**PRODUCTION OF PISTOLS AND REVOLVERS BY THE INDIAN OFFICERS OF THE GOVERNMENT OF INDIA AT THE NEW DELHI POLICE STATION.**

912. **\*Mr. N. M. Joshi:** (a) Is it a fact that Indian officers of the Government of India in possession of pistols and revolvers were asked by the Senior Superintendent of Police to produce them at the New Delhi Police Station?

(b) Were European officers of the Government of India served with a similar notice?

(c) What is the reason underlying the action referred to in part (a)? Are Government aware that it has created resentment among the Indian officers?

(d) Is it intended to deprive Indian officers of their pistols and revolvers?

**The Honourable Sir Harry Haig:** (a) The Senior Superintendent of Police, Delhi, issued orders under the authority of the District Magistrate, Delhi, to all Station House Officers in the Delhi Province to inspect arms and licenses of all licensees for revolvers and pistols once a quarter. This order was misinterpreted by the New Delhi Police into permission to ask licensees for revolvers and pistols to produce their weapons and licenses at the New Delhi Police Station. The Senior Superintendent of Police has since directed the New Delhi Police to carry out such inspections at the residences of license holders.

(b) No list of European license holders has so far been received by the Police from the Deputy Commissioner of Delhi but on its receipt it is intended that their licenses, pistols and revolvers will be inspected.

(c) The object of this inspection of licenses and revolvers and pistols is to exercise an effective check on the sale, exchange, or loss of such weapons and to prevent their falling into the hands of persons not authorised to possess them. No racial discrimination was intended, and, as I have explained none will be observed in future. I may add that I am taking up the question with the local authorities with a view to devising a procedure, which, while equally effective for the purpose of check, will be as little inconvenient as possible to the license holders.

**Mr. N. M. Joshi:** May I ask, if no racial discrimination was intended, why the officers were divided into two groups, Indian and European?

**The Honourable Sir Harry Haig:** I am afraid I cannot give definite information to my Honourable friend. It was a matter of office procedure in the office of the Deputy Commissioner of Delhi.

**Mr. Gaya Prasad Singh:** May I know if Indian officers were alone asked to produce their arms at the New Delhi Police Station?

**The Honourable Sir Harry Haig:** I have already answered that question in the affirmative and I have explained that as soon as the list of European license holders is complete, the same procedure would be observed in respect of them.



**Mr. Gaya Prasad Singh:** Will Government lay on the table a copy of the order of the Senior Superintendent of Police calling on Indian officers to produce their arms?

**The Honourable Sir Harry Haig:** No, Sir, I think that is unnecessary.

**Mr. Gaya Prasad Singh:** May I take it that the production of this order will reveal the fact that the Indian officers were being treated differently from European officers?

**The Honourable Sir Harry Haig:** I have already explained the facts in full detail.

**Mr. S. C. Mitra:** Who prepares the list? Why was one list made for Indian officers alone and at whose suggestion was this distinction made?

**The Honourable Sir Harry Haig:** I have said that that appears to be a matter of procedure in the office of the Deputy Commissioner.

**Mr. B. Sitaramaraju:** So far as the Government of India is concerned, may I understand that they did not make any racial discrimination in the orders?

**The Honourable Sir Harry Haig:** It has really nothing to do directly with the Government of India. I have merely answered this question, because the Administration of Delhi has no Legislative Council in which such questions can be put.

**Mr. Gaya Prasad Singh:** Do I understand that the Government of India have issued no instructions to the local authorities in connection with the production of arms?

**The Honourable Sir Harry Haig:** The Government of India addressed a general letter to Local Governments asking them to tighten up the procedure in regard to the inspection of revolvers and pistols. There was no question of racial discrimination intended in that.

**Mr. Gaya Prasad Singh:** Do I take it that that order of the Government of India is also confidential?

**The Honourable Sir Harry Haig:** Yes. Certainly the letter was confidential.

**Mr. S. C. Mitra:** Are Government of India in a position to say why a separate list was prepared for Indian officers and another list for European officers?

**The Honourable Sir Harry Haig:** I am not in a position to answer that.

**Mr. Gaya Prasad Singh:** Will the Government of India be pleased to call for an explanation from the local authorities as to why Indian officers were singled out for this sort of treatment and not the European officers?

**The Honourable Sir Harry Haig:** I have already said that the list of European license holders had not been prepared. As soon as it is prepared, they will be called upon to undergo the same procedure.

**Mr. Gaya Prasad Singh:** That is an afterthought.

#### REVISION OF THE SCALE OF PENSION OF PEONS IN BOMBAY.

913. **\*Mr. N. M. Joshi:** (a) Have the Government of India received a petition from the Government Peons' Union, Bombay, for a revision in the scale of pension, applicable to menials in the offices of the Government of Bombay, so as to bring it into line with the other classes of Government servants?

(b) Are the Government of India aware of the fact that the Bombay Government have issued an order by their Finance Department Resolution No. 1906 in April, 1928, that the peons in their service who would retire after completing 30 years' service would get pension equal to half average emoluments?

(c) What do the Government of India propose to do in the matter?

**The Honourable Sir George Schuster:** (a), (b) and (c). I would refer the Honourable Member to the answer which I gave in the House on the 3rd March, 1933, to parts (a), (b) and (d) of starred question No. 623.

#### GRANT OF FACILITIES TO KHAN ABDUL GHAFFAR KHAN TO WORK FOR THE ABOLITION OF PROSTITUTION.

914. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that the Government of India granted certain facilities to Mahatma Gandhi to work for social reform in connection with the removal of untouchability?

(b) If so, are Government prepared to grant similar facilities to Khan Abdul Ghaffar Khan to work for social reform in connection with the abolition of prostitution?

**The Honourable Sir Harry Haig:** (a) I would refer the Honourable Member to my reply to short notice question on the 7th November, 1932.

(b) No.

**Mr. M. Maswood Ahmad:** Will Government say why they are not prepared to give this facility to the Frontier Gandhi to work for the social reform of his province?

**The Honourable Sir Harry Haig:** Because it is not the practice of the Government of India to extend such facilities to State Prisoners in general.

**Mr. M. Maswood Ahmad:** May I take it that the Government of India gave this facility to Mr. Gandhi only?

**The Honourable Sir Harry Haig:** The Government of India distinguished between the original Mr. Gandhi and the Frontier Gandhi.

**Mr. M. Maswood Ahmad:** May I ask why Government are not prepared to give any facility to any Muslim leader to do the same things for the reform of their community?

**The Honourable Sir Harry Haig:** They are not prepared to extend this procedure to any other State Prisoner.

**Mr. Amar Nath Dutt:** Which is the greater evil—untouchability or prostitution?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That is asking for an expression of opinion.

**PREPARATION OF ESTABLISHMENT BILLS BY THE COMPUTING STAFF IN THE GOVERNMENT OF INDIA PRESS, SIMLA.**

915. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that in Aligarh, Delhi and Calcutta Government of India Presses establishment bills are prepared by the accounts' branch? If so, why is the computing staff in the Simla Press compelled to prepare the bills in addition to their own duties? Is this work allotted to the accounts branch, according to handbook rules?

(b) Are Government aware that owing to the heavy work given to the computers they are compelled to work late at night, up to 10 or 11 P.M., without any remuneration?

(c) Why are additional hands not appointed?

**The Honourable Sir Frank Noyce:** (a) Government have no information as to the actual practice followed in the Presses. The reply to the last part is in the affirmative.

(b) No.

(c) No representation has been made by the head of the department.

**ALLEGED GRIEVANCES AGAINST THE MUNICIPAL COMMITTEE, AJMER.**

916. **\*Khan Bahadur Makhdum Syed Rajan Bakhsh Shah:** (a) Are Government aware that Colonel Howson, late Chairman of the Municipal Committee, Ajmer, made considerable improvement in all the departments of the said Municipality, specially in the Sanitary Department, during his Chairmanship?

(b) Are Government aware that during the Chairmanship of Colonel Howson, the members of the Municipal Committee, Ajmer, were obstructed in encroaching upon the functions and powers of the executive functionaries of the said Municipality?

(c) Are Government aware that a large number of questions on the subject of public grievances relating to the affairs of the Municipal Committee, Ajmer, has been asked in the Legislative Assembly since Colonel Howson relinquished the charge of its Chairmanship?

(d) Are Government aware that a large number of leaflets have been published on the subject of the mismanagement of the Municipal Committee, Ajmer?

(e) Is it a fact that a number of representations complaining against the Municipal Committee, Ajmer, has been made to the Commissioner, Ajmer-Merwara, since Colonel Howson relinquished the charge of its Chairmanship?

(f) Is it a fact that the Commissioner, Ajmer-Merwara, had not taken any action in regard to the public grievances concerning the Ajmer Municipality?

(g) Do Government propose to take any action in the matter? If so, what? If not, why not?

**Mr. H. A. F. Metcalfe:** With your permission, Sir, I propose to answer questions Nos. 916, 917 and 918, together. The information asked for has been called for and a reply will be laid on the table in due course.

**NON-PAYMENT OF THE SALARIES OF SOME SWEEPERS OF THE MUNICIPAL COMMITTEE, AJMER.**

†917. **\*Khan Bahadur Makhdum Syed Rajan Bakhsh Shah:** (a) Will Government please state whether it is a fact that some sweepers of the Municipal Committee, Ajmer, complained to its Chairman, that they had been deprived of their salaries by one of the functionaries of the said Municipality?

(b) Is it a fact that a resolution was passed by the said Municipal Committee or one of its Sub-Committees resolving to take action against the functionary referred to in part (a) above on the receipt of the report of the Thumb Impression Bureau as to the thumb-impressions against the names of the said sweepers on the pay bill?

(c) Is it a fact that the Chairman of the Municipal Committee, Ajmer, took no action on the report made by the Thumb Impression Bureau against the functionary referred to in part (a) above?

**APPOINTMENT OF AN EXECUTIVE OFFICER IN THE MUNICIPAL COMMITTEE, AJMER.**

†918. **\*Khan Bahadur Makhdum Syed Rajan Bakhsh Shah:** (a) Is it a fact that the Executive powers and functions of the Ajmer Municipality are exercised by the members of the Ajmer Municipal Committee in their respective Wards?

(b) Is it a fact that an Executive Officer has been recently appointed for the Ajmer Municipality on a high salary?

(c) Is it a fact that the said Executive Officer has not been invested with such powers as are possessed by the Executive Officers of the Municipalities in other provinces?

(d) Is it a fact that the said Executive Officer is virtually a mere ministerial functionary?

(e) Is it a fact that additional allowances have been recently sanctioned for the said Executive Officer?

(f) If what are stated at parts (a) to (e) above are facts, will Government please state what are the grounds for the creation and maintenance of the said Executive Officer's post in these hard days of economic distress?

† For answer to this question, see answer to question No. 916.

# ALLEGATIONS AGAINST CERTAIN GOVERNMENT DEPARTMENTS OF AJMER-MERWARA.

919. \***Khan Bahadur Mukhdum Syed Rajan Bakhsh Shah:** (a) Are Government aware that there is a great deal of discontent among the middle and lower classes of the public in Ajmer-Merwara regarding the corruption, favouritism and nepotism prevailing in most of the Government Departments in that Province?

(b) Is it a fact that nearly all the responsible posts, excluding those filled in by the officers of All-India Services and military officers in civil employ, have been in the hands of the same persons for the last so many years?

(c) Will Government please state whether there is a general rule of administrative practice in every province in India to transfer an officer after every three years? If so, why is not the rule applied to the officers in Ajmer-Merwara who are retained in the same posts for many years?

(d) Is there a rule of public policy that a gazetted officer cannot be posted in that district in which his permanent residence is situated? If so, why are most of the gazetted posts in Ajmer-Merwara held by persons born, bred and permanently residing in the district?

(e) Do Government propose to place the Provincial service gazetted officers of Ajmer-Merwara on the cadres of some other Province, in order to facilitate periodical transfers of such officers and ensure wider range of experience and greater efficiency?

**Mr. H. A. F. Metcalfe:** (a) No. No complaints of this nature have come to the notice of the Local Administration.

(b), (c) and (d). With your permission, Sir, I propose to answer parts (b), (c) and (d) of the question together. Conditions in Ajmer-Merwara are special, since it is a small area with a very small cadre of posts. There are only six *Judicial* appointments of higher rank and three *Revenue*,

Transfers are made if they appear to be called for in the interests of the public service, but it is not considered that any advantage would accrue from fixing a period of tenure or from effecting periodic transfers regardless of other considerations.

(e) The answer is in the negative. So long as Ajmer-Merwara remains a separate administrative unit, the remedy suggested in the question is impracticable.

# RESERVATION OF CERTAIN SQUARES FOR THE MIGRATORY STAFF OF THE GOVERNMENT OF INDIA.

920. \***Mr. B. N. Misra:** (a) Are Government aware that the Edward Joffrey and many other squares are completely reserved for non-migratory staff?

(b) Are Government also aware that many of the migratory staff have often asked for quarters in one of these squares?

(c) Are Government prepared to reserve some of the quarters in Edward Square and others for the migratory staff of the Government of India also? If not, why not?

**The Honourable Sir Frank Noyce:** (a) The residential accommodation in the squares named and in certain other areas is largely reserved for the non-migratory staff.

(b) The reply is in the negative.

(c) No. The purpose of keeping the quarters of the non-migratory staff in separate groups is to avoid the isolation of tenants during the summer season and also to curtail the cost of conservancy and other services during that season.

# REFUSAL OF PERMISSION TO MR. M. S. ANEY TO INTERVIEW MR. GANDHI IN JAIL.

921. \***Mr. S. G. Jog:** (a) Is it a fact that Mr. M. S. Aney, the acting president of the Congress and an *ex-M. L. A.*, was refused permission to interview Mahatma Gandhi in jail at Yerrawada?

(b) If so, will Government state whether this action was taken by the jail authorities on their own responsibility?

(c) Will Government state whether the Government of Bombay or the Government of India were consulted in the matter?

(d) Will Government state the reasons for refusing permission?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) to (d). No application was received either by the Government of India or the Government of Bombay from Mr. Aney asking for permission to interview Mr. Gandhi. He applied direct to the Superintendent of the Jail for interview, but did not state that it would be confined to the subject of untouchability. Permission was accordingly refused in view of the policy of Government in regard to interviews with Mr. Gandhi, stated in my reply to questions on the subject on the 7th and 14th November, 1932, and the 1st March, 1933.

**Mr. S. C. Mitra:** In refusing these interviews, do the jail authorities consult Local Governments or, in the case of State Prisoners, the Government of India?

**The Honourable Sir Harry Haig:** No, Sir. There are general instructions in accordance with which the Superintendent acted.

# PROTECTION TO MOTOR BUSES AGAINST UNFAIR COMPETITION BY RAILWAYS, TRAMWAYS, ETC.

922. \***Mr. G. Morgan:** (a) Is it a fact that Government have received representations from the Motor Industries Association, Calcutta, for protection against unfair competition by railways, tramways and carts on (i) September 27th, 1932, to the Department of Industries and Labour, and (ii) November 17th, 1932, to the Department of Commerce?

(b) Is it a fact that no reply has been sent to these representations?

(c) Is it a fact that Government have deferred dealing with these representations pending the result of the Indian Railways Amendment Bill?

(d) Is it a fact that the motor industry contributes through special taxation in the forms of extra import duty, petrol tax, provincial taxes, registration fees, etc., approximately eight crores and thirty lakhs per annum (*vide* page 44 Mitchell-Kirkness Report)?

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(b) Is it a fact that no reply has been sent to these representations?

(c) Is it a fact that Government have deferred dealing with these representations pending the result of the Indian Railways Amendment Bill?

(d) Is it a fact that the motor industry contributes through special taxation in the forms of extra import duty, petrol tax, provincial taxes, registration fees, etc., approximately eight crores and thirty lakhs per annum (*vide* page 44 Mitchell-Kirkness Report)?

(e) Is it a fact that in addition to the above amount the motor industry also contributes further revenue through import duty on cloth, upholstery, materials, paints, lacquers, metals, glass, etc.; which are not specially identifiable with the classified headings of the motor industry?

(f) Is it a fact that the motor industry as well as firms and individuals operating motor vehicles are subject to all ordinary taxes in addition to those mentioned in parts (d) and (e)?

(g) Is it a fact that railways, tramways and carts do not make any direct contribution to the central revenues other than the taxes mentioned in part (f)?

(h) Are Government aware that in the province of Madras the number of motor buses has fallen—coincidentally with the increase in taxation—from 6101 to 1935 (*vide* page 19 Madras Section Mitchell-Kirkness Report)?

(i) Are Government aware that in Bengal numbers of motor lorries have been laid up to avoid taxation, as on account of that taxation they can no longer pay their way in competition with buffalo and bullock carts?

(j) Have Government considered the representations mentioned in relation to the facts detailed in parts (d) to (i) and have Government arrived at any decision in the matter?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) The receipt of these communications was acknowledged.

(c) No.

(d) and (h). Government have noted the figures contained in the report referred to and are examining them.

(e) The position is generally as stated in this question.

(f) Government are not aware of the precise meaning of the phrase "ordinary taxes". No special exemption from taxation applies so far as they are aware to the motor industry or to firms or individuals operating motor vehicles.

(g) Railways contribute to general revenues on the basis of one per cent. of the capital at charge and in the form of import duty under the Tariff on rolling stock and materials imported. Similarly, tramways contribute in the form of import duty on stock and materials imported. Under the provisions of the scheduled Taxes Rules, the taxing of animals and vehicles is within the competence of Local Legislatures, and these do not contribute directly to central revenues.

(i) Government have no information.

(j) The representations referred to have been taken into consideration by Government in the examination of the whole question upon which they are engaged.

**Dr. Ziauddin Ahmad:** The Honourable Member said that the railways pay one per cent. of the capital at charge. Are they actually paying it, and, if not, for how many years have they not paid it?

**The Honourable Sir Joseph Bhore:** My Honourable friend is no doubt aware of the facts of the case.

**Mr. F. E. James:** Will the proposed Rail-Road Conference in Simla be competent to discuss the question of co-ordination and standardization of taxation of motor vehicles and other users of public roads in the provinces?

**The Honourable Sir Frank Noyce:** We hope, Sir, that the Conference will be able to deal with all the aspects of this question.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member please inform the House whether it is a fact that crores of money are invested in this motor industry (road transport), and that nearly 150,000 people are employed, who, if the industry is received, will be unemployed, and whether the taking away of this motor industry by the railways will not transfer that industry from the public to the State? The next question I would like to ask . . .

**The Honourable Sir Frank Noyce:** May I rise to a point of order? May I suggest that the Honourable Member should put his questions one by one?

**Lieut.-Colonel Sir Henry Gidney:** My one desire was to facilitate the Honourable Member's task. Will the Honourable Member please inform this House whether or not it is a fact that crores of rupees are invested in this motor transport industry?

**The Honourable Sir Frank Noyce:** I am not aware of the exact amount which has been invested in the motor industry,—but I should like to point out to the House that crores of public money have been invested in the Indian Railways. (Hear, hear.)

**Lieut.-Colonel Sir Henry Gidney:** Is the Honourable Member aware of the amounts placed before him in the memorials sent to him by the memorialists on behalf of the Motor Transport Association?

**The Honourable Sir Frank Noyce:** I am not prepared to accept the accuracy of any statement of this kind. Even the closest examination could give no more than an approximate estimate.

**Lieut.-Colonel Sir Henry Gidney:** In view of the Honourable Member's reply, will he inform this House whether or not it is a fact that by the Railways taking over this motor transport industry, they will be violating a Home Department, Government of India, Order, (applied mainly to jails) issued a few years ago, in that they will be unfairly competing with local industries?

**The Honourable Sir Frank Noyce:** It is, Sir, news and very astonishing news to me that the railways have any intention of taking over the whole of the motor industry.

**Lieut.-Colonel Sir Henry Gidney:** I am glad to hear that, but that does not answer my question.

## THE INDIAN RAILWAYS (AMENDMENT) BILL.

(AMENDMENT OF SECTION 51.)

## PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

**The Honourable Sir Joseph Bore** (Member for Commerce and Railways): Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Indian Railways Act, 1890, for a certain purpose.

## THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume consideration of the following motion moved by Khan Bahadur Haji Wajihuddin on the 27th February, 1933:

"That the Bill to amend the Child Marriage Restraint Act, 1929, for certain purposes, be circulated for the purpose of eliciting Muslim public opinion thereon."

**Sir Abdulla-al-Māmūn Suhrawardy** (Burdwan and Presidency Divisions: Muhammadan Rural): Sir, in reply to a question from the Chair when I was addressing this House on the previous occasion, I informed him that I would take at least another hour. (Voices: "Speak up.") But now, owing to the long interval between the day when I was last addressing the House and today which gave me ample leisure for studying the subject from all points of view, I find that my statement that I would take only one hour or so was an under-estimate. If one is to do justice to the subject fully in all its bearings,—political, legal, moral and social,—Sir, it will be a question not of an hour or even of a day or a week, but one might have to speak for days and weeks and months (Hear, hear) in order to convince the House of the iniquity and injustice and the folly of the measure. But my friends need not be alarmed. If they have patience, if they do not interrupt me, I think their object will be served. Sir, I have read the comments in the newspapers to the effect that I was in concert and conspiracy with Government, determined to prolong my speech in order to defeat the introduction of the Untouchability Bill, although I might at once say that though I am, of course, opposed to the introduction of any legislative measure which would interfere with the religious and social liberty, customs and usages of the people of India, Sir, I would be the last person to be in concert and conspiracy with Government or with Orthodoxy to block the introduction of any measure for the uplift of the untouchables. I am always for delivering a frontal attack,—not a flanking movement or a camouflage. If necessary, I would oppose the Untouchability Bill openly and not by means of underhand methods or silly, long speeches. Here I must at once disclaim any association with the Leader of the Orthodox Party, my esteemed and venerable friend, Raja Bahadur Krishnamachariar, or any association with my Honourable and esteemed friend, Sir Hari Singh Gour.

**The Honourable Sir Harry Haig** (Home Member): Does the Honourable Member in any way suggest that the Government are seeking to obstruct the introduction of the Untouchability Bill, and, if not, will he kindly withdraw his insinuation?

( 2504 )

**Sir Abdulla-al-Māmūn Suhrawardy**: The Honourable Member has possibly misunderstood what I was trying to say. It is an insinuation not made by me, but in certain newspapers. I should be the last person to make insinuations against the Government attitude towards the Untouchability Bill. I am simply trying to meet insinuations made in certain quarters to the effect that when I spoke here I spoke in the interests of Government in order to block the introduction of that Bill. My position in the House and the allocation of my seat is not of my seeking. It is a matter of mere accident and of circumstances over which I had no control. If I had been subservient to the Government or to the orthodox people, my place today would have been perhaps nearer the Chair and Mr. Ranga Iyer's than it is today. (Hear, hear.)

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammandan Rural): I hope, Sir, that the same answer applies to any supposed association with me or to any conspiracy that I was supposed to have had in order to obstruct the introduction of this Bill. Surely, it is a suggestion which, if it is not unparliamentary, I would certainly call wicked.

**Sir Abdulla-al-Māmūn Suhrawardy**: I am not making any suggestions at all. I am merely referring to certain wicked suggestions in the press. So far as my Honourable friend, the Raja Bahadur, is concerned, at any rate, judging from appearances, the fact that my Honourable friend, Rao Bahadur Rajah, the great sufferer from untouchability and the champion and protagonist of the cause of untouchability, sits behind him shows that the Raja Bahadur must be a champion of the cause of the untouchables. I would now return to the main subject instead of digressing from it as I am as anxious as any Member of the House to be as brief as possible.

I would like the House to bear with me calmly and dispassionately for a few moments, because that is the best way of helping me to be as brief as possible. There seems to be a good deal of confusion in the minds of Members of the House especially those who are new Members that it is out of mere cursedness or fanaticism that I have stood up here to support the measure. My presence in the House itself on the last occasion was a mere accident. I was not in the House at all, but when appealed to by my friend, the Mover of the Bill, I came in and entered the Chamber in the afternoon. And when I spoke on the last occasion, my intervention in the debate was provoked by the speech of the Honourable the Home Member. I do not mean to say that his speech was provocative in any sense at all, but what I do mean to say is that when he mentioned to the House the attitude of Government on the subject, I felt that I should get up and place the Muslim point of view before the House as clearly and as forcibly as I could. So far as the Honourable the Home Member is concerned, I know that he did not speak in his personal capacity, but he spoke as a spokesman of Government. Although in the press it has been mentioned that he smiled when I spoke, from my place it is not possible for me to know whether he smiled or laughed or whether he shed a tear, but I do know that he always wears a winning smile and I do not for a moment believe that his smile, if he actually did smile, was a smile of contempt or derision; or if he laughed, it was a laugh of levity. I have since had the advantage of reading his speech in print and I find nothing provocative in his speech except that the arguments which he put forward are the arguments which do not



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appeal to me. I wish he had read the masterly speech of his colleague, the Law Member, which he delivered while dealing with the Special Marriage Act. Then he would have known that we Muslims are perfectly justified in looking upon this measure as an interference with our religion and personal law. Anybody who has any knowledge of the Muslim law at all or of the law of the country could not have the slightest hesitation in believing that that is so. I will read only one passage from the masterly and illuminating speech of the Honourable the Law Member, the Leader of the House, who has been fitly described by my Honourable friend, Khan Bahadur Haji Wajihuddin, as Allama Sir Brojendra Mitter. Certainly he deserves the title of Allama from the University of Muslim Public Opinion. Speaking on the Special Marriage (Amendment) Bill, he said:

"I am frankly opposed to this measure. I am speaking not merely on behalf of the Government but as a lawyer, and I shall presently examine this Bill from the legal standpoint. Sir, the policy which the Government have always adopted with regard to social legislation was stated in these terms by the Honourable Mr. Jenkins when Mr. Bhupendra Nath Basu's Bill was before the Legislature:

"It is a fixed principle of the Government of India not to interfere in any way whatsoever with the personal 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."

Even assuming for the sake of argument that this is not a matter of religion, yet it is a departure from the fixed principle of the Government of India not to interfere in any way with the personal law and customs of the Muslims. There is no evidence whatsoever, not to speak of very strong and conclusive evidence, that the change is desired by those who are affected. What evidence has my Honourable friend, the Home Member, that the change is desired by the people who are affected by it? In the same masterly speech, the Honourable Sir Brojendra Mitter goes on to say in another part:

"I am not discussing the Sarda Act at the moment; I am discussing Sir Hari Singh Gour's Bill. Sir, as I said before, the Moslems like the Hindus are governed by their personal law. I shall take a few branches of the personal law and very briefly say how each of these branches of the personal law of the Moslems will be affected by this measure. I shall take the subjects of Marriage, Dower, Divorce, Legitimacy, Inheritance, Guardianship, Maintenance and Wakf. I shall take these eight branches of Muhammadan law, all essential."

It is very easy to say for a lay Member that this is a social legislation. But if you go deep into the matter, you will see that the Sarda Act also affects not only the marriage law of the Muslims, but the law of dower, legitimacy and directly the law of guardianship and many other branches of the Muslim law. This Act has struck at the root of our personal law and yet to you it appears to be a simple measure. You seem to be only fixing the age-limit of 14 or 18 for marriage. I will presently place before the House, especially for the benefit of European Members, certain facts. Although the European Benches are empty, I am glad that the Leader of the European Group is in his seat, because, I owe it to my community, owe it to myself and owe it to the Government Members that I should place before them briefly but as clearly as possible my reasons for opposing the Sarda Act in the sense that we must be given an exemption from the operation of this Act. For that purpose it would be necessary for me to place before the House first of all the Sarda Act itself so that the House may know what this Act is.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Rural): This is merely a motion for circulation.

Sir Abdulla-al-Mámūn Suhrawardy: I know that it is a motion for circulation, but it is a motion for the circulation of a Bill which is opposed to an Act from the operation of which we claim exemption and I propose to give reasons why we claim that exemption. This is a simple measure no doubt. I am grateful to the Honourable the Deputy Leader of the Independent Party for his interruption that this Bill is merely for circulation, yet what has the Honourable the Home Member said on it speaking as a spokesman of the Government? He opposed the circulation of this Bill. It cannot be construed as a dilatory motion from our point of view which he must oppose, nor can he stifle the expression of Muslim public opinion by his opposition. Although my sympathies are with the Honourable Khan Bahadur Haji Wajihuddin, the Mover of the Bill, and although as a result of my personal relations with him I might even record my vote if the matter is pressed to a division, I certainly personally do not see any special advantage in the motion before the House. What is the use for the circulation of the Bill to elicit public opinion thereon, because the Government of India know very well what public opinion on that question is unless like an ostrich they want to close their eyes and refuse to know what is going on in the country? On petty occasions Government always claim that they have in their possession Muslim opinion, they claim to know or to have ascertained what is acceptable to the Muslims and what is unacceptable to the Muslims, and they certainly have the means of finding out what the Muslim opinion on the Sarda Act is. And if they have not, they can ascertain that opinion not by means of secret whisperings into their ears in the secrecy of their private chamber or the conclave of the Cabinet, not by means of the secret ballot box, but by open voting on the floor of this House. There is Maulvi Shafee Daoodi, the Secretary of the Muslim Conference, who has spoken on the motion; there is Sir Muhammad Yakub, the Secretary of the Muslim League who also has spoken on it. Those are gentlemen whose opinions and views are considered and given due weight when it is a question of joint or separate electorate, weightage or non-weightage and other important and unimportant matters. These gentlemen have, on the floor of this House, expressed their own views and the views of the Muslims in support of the measure. Why should not Government give due weight to their opinion now and support the circulation of the Bill for eliciting public opinion?

The Sarda Bill was originally designed to be applicable to Hindus alone, but when it emerged from the Select Committee, it became applicable to Hindus, Muslims, Buddhists, Christians and the rest, and what was a civil Bill became a criminal Bill. I do not know why it is necessary to circulate this Bill unless the Honourable the Mover thinks that Government should go through the formality of getting public opinion. For, even without circulation, Government ought to know that men, highly cultured and highly educated, men who had the benefit of education in the universities of Oxford and Cambridge and Maulvis and Maulanas, educated at Deoband and at Delhi, the humblest soldier and tiller of the soil, the richest landlord rolling in wealth are all amongst the Muslims opposed to the Sarda Act. Of course there may be a few black sheep,—there are black sheep in every community,—may be one or two black sheep even in this House representing the black sheep outside, but the majority and the bulk of Muslim opinion is against the Sarda Act. Diwan Bahadur

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Sarda himself knows that very well and he does not want the Act to be described as the Sarda Act. Whenever it is described as the Sarda Act, he becomes nervous and he protests. Sir, I will place before you first of all what are the provisions of this Act, specially for the benefit of my European friends who may think that here is a retrograde standing up and championing the cause of child marriage. It is nothing of the sort. Although I will not be ashamed of being regarded as a retrograde in my championship of the laws of Islam, thank God, Allah be praised, that it is not one of my weaknesses to be regarded as an enlightened and cultured Mussalman who has no faith in the divine origin of the Shariat. It is not necessary for me, specially when I have got in the person of the Leader of the House a gentleman well-versed in Muslim law, to say that the foundations of the Muslim law, the law of marriage and the law of inheritance and all those laws which have been guaranteed by British Government and by the Proclamation of the Queen herself are of divine origin. And any text-book of Muslim law will tell you, even the small book of Mulla will tell you, that the primary sources of Muslim law are the Koran and the Sunnat. Yet there are gentlemen who get up in this House and tell us that this is not trenching upon our religion or upon our religious law. This is how the Sarda Act reads:

"2. In this Act, unless there is anything repugnant in the subject or context,—

- (a) 'child' means a person who, if a male, is under 18 years of age, and if a female, is under 14 years of age;
- (b) 'child marriage' means a marriage to which either of the contracting parties is a child;
- (c) 'contracting party' to a marriage means either of the parties whose marriage is thereby solemnised; and
- (d) 'minor' means a person of either sex who is under eighteen years of age.

3. Whoever, being a male above eighteen years of age and below twenty-one, contracts a child marriage shall be punishable with fine which may extend to one thousand rupees.

4. Whoever, being a male above 21 years of age, contracts a child marriage shall be punishable with simple imprisonment which may extend to one month, or with fine which may extend to one thousand rupees, or with both.

5. Whoever performs, conducts or directs any child marriage shall be punishable with simple imprisonment which may extend to one month, or with fine which may extend to one thousand rupees, or with both", etc.

I will not go through the further details of the Act. All that I wish to point out is this that the age fixed here is 18 years for the male and 14 years for the female and the parties to a child marriage or those who perform, conduct or direct the marriage are punishable with simple imprisonment for one month or with fine which may extend to a thousand rupees or with both. This is the famous Sarda Act which I will describe as infamous. But what is the English law on the subject? We are all trying to become civilised; we are aping the Western people in everything although even among my Muslim friends, who claim to be enlightened, we still find gentlemen who up till now have not allowed the sun and the moon to penetrate into their zenanas. They keep their women in what may appear to our European friends as "the dark dungeons of the Zenana" and yet come here and pretend to be enlightened gentlemen who would like the age of marriage to be fixed at 18 in order to be abreast of the advanced societies of the West. In an age when Western women are

struggling to be emancipated from the bondage and trammels of superfluous clothing you still see Muslim women being confined in what Europeans describe as "the dark dungeons of the zenana or masquerading in the hideous *burkha* like so many apparitions and spectres from the nether regions". These are enlightened gentlemen and the Home Member has only to look around and he will find them not far from himself. And our European friends, who dared to interfere with the marriage laws of the Muslims, have not dared to give their moral support to the crusade against *purdah* by boycotting all social intercourse with those gentlemen who confine their wives and daughters within the pale of the zenana. Mere social boycott would have been enough; they have not the courage to do that. Yet they come here and ask us to support the Sarda Act and say that this is a measure which has been introduced in the interests of humanity. If medical opinion is to be consulted, you will find medical opinion also saying that one of the causes of tuberculosis is "the dark dungeon of the zenana".

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Rural): Are you or are you not against *purdah*?

**Sir Abdulla-al-Mámūn Suhrawardy**: I am standing here as the champion of orthodoxy. My friend, Mr. Biswas, the other day applied to me the correct description of myself, namely, paradoxy. Whatever be my own personal feelings, whether I am supporter of the *purdah* or whether I am against it, I am standing here to champion the cause of orthodoxy and I will always stand for the cause of truth. I am standing here for the cause of orthodoxy, not because the orthodox people are strong and powerful . . . . .

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): You do not look like an orthodox person.

**Sir Abdulla-al-Mámūn Suhrawardy**: That is the paradoxy, that though I do not look an orthodox person, yet I champion the cause of orthodoxy, because my faith and belief in my religion and the divine origin of my religion and of my law is so firm that if I had the time, I believe, I would even convince this House of the reasonableness of the Moslem Law of marriage and every branch of Moslem Law.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): Did the Honourable Member insinuate that the reformers have not the same regard for religion?

**Sir Abdulla-al-Mámūn Suhrawardy**: Well, that is a matter for the Pandits of their religion to pronounce. If the reformers have got the same faith in their religion, they are entitled to that faith. I have got faith in my religion and I want to show the reasonableness of Muslim religion and Muslim Law. Our law does not enjoin, as the Honourable the Home Member rightly said, child marriage, but our law does not interdict or prohibit child marriage. I was trying to read out the English Act, so that the difference between the English Act and the Sarda Act may become clear to our European friends:

"An Act to make void marriages between persons either of whom is under the age of sixteen."

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What have you prevented; have you prevented child marriage? Our friends talk about sufferings of the widows, as if the Sarda Act has in any way alleviated early widowhood or the sufferings of the widows. The marriage of children you declare to be as valid as before the passing of the Sarda Act. All that you do is to make marriage more expensive and make it an engine of tyranny and of oppression, where unscrupulous people desire to blackmail or a disappointed suitor wishes to blackmail or to avenge himself.

**Mr. C. C. Biswas:** What is the year of the English Act?

**Sir Abdulla-al-Māmūn Suhrawardy:** The year of the English Act is 1929. The English Act was inspired by the same lady as I said on a former occasion who inspired the Sarda Act which made the British legislator's dormant conscience to wake up suddenly. They thought that in India we were going to pass an Act stamped by Miss. Mayo of "Mother India" into legislative action and that was a challenge to them at least to wake up and to bring their age of marriage which had for centuries been 14 for males and 12 for females to 16. Even then, they fell short of the Sarda Act. Under the English Act, the age is 16, whereas my Honourable friend, Diwan Bahadur Harbilas Sarda, has raised the age to 18. In a tropical country, where people, if they are born early, they also die early,—we develop soon and we wither and fade away soon—the age of marriage has been raised for males up to 18, whereas the English Act leaves it at 16.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Chair does not want to interrupt the Honourable Member in his speech, but it is perhaps proper that the Chair should draw the attention of the House to the scope of a discussion when the motion before the House is that the Bill be circulated for public opinion. The exact scope of discussion on such a motion has been very clearly defined in a great many rulings which have been previously given by the Chair. On the 24th March, a Member proceeded to discuss the details of clauses on the motion to circulate a Bill and the Chair ruled as follows:

"I cannot allow the Honourable Member to go into such detail. This is a motion for circulating a Bill, and I agree with the Honourable the Home Member that it is a little difficult to find out the precise principle on which the Bill is based. Nonetheless he must address himself to larger considerations than the actual details. The subject he is dealing with would be precisely the same if the question I put was that the clause stand part of the Bill. We have not reached that stage yet."

Later, on the 2nd June, 1924, on a similar occasion, the Chair intervened and said:

"I would remind the Honourable Member and the House that the question that is being debated at present is only the narrow question whether the Bill should be taken into consideration now or whether it should be circulated for opinion. It is not open, therefore, to Members to go into the merits of the various points which they may wish to be further considered. They can merely indicate the points on which they think there should be further consideration by the country."

There are a series of rulings which have clearly laid down that on a motion for circulation Honourable Members cannot go into the details of the Bill, and the Chair would appeal to Honourable Members to observe this well established convention and rule in the discussion today also.

**Sir Abdulla-al-Māmūn Suhrawardy:** I shall try as best as I can to follow the spirit of the ruling of the Chair. I was trying to point out the difference between the two Acts and I think, I need not enter into the details. I want only to point out that the English Act adopts the age as 16. The authors of the Act feel that the consequential effect of the raising of the age from 12 for females and 14 for males which had been in existence for centuries and centuries would be to affect the law of bastardy and legitimation and other branches of the English law. Instead of entering into details, I merely quote 2 sections of the Act for the benefit of the House. Section 1, clause (2) runs as follows:

"Nothing in this Act shall affect—

- (a) any marriage solemnized or contracted before the passing of this Act, and any such marriage shall be or become valid in any case where, if this Act had not been passed, it would be or become valid, or
- (b) in Scotland any right or capacity of legitimation *per subsequens matrimonium*."

Section 2 embodies the consequential amendment of 35 and 36 Vict. c. 65 and runs as follows:

"A single woman who has been delivered of a child may, upon proof that before the birth she was a party to what but for the passing of this Act would have been a valid marriage and that the other party thereto had access to her within twelve months before the birth of the child, make at any time an application under section three of the Bastardy Laws Amendment Act, 1872, for a summons to be served on that party, notwithstanding that he may not within the twelve months next after the birth of the child have paid money for its maintenance."

I am simply referring to these sections to show that the law of bastardy had also to be changed. I am simply drawing the attention of the House to the fact that the raising of the age from 14 to 16 had that effect so far as the English Act itself was concerned. So far as the Indian Act is concerned, we had no age limit in India. When I had said that it was Miss. Mayo who had stamped Diwan Bahadur Harbilas Sarda or the Government into action, it was a mere conjecture on my part. But I am glad to find myself fortified in my conjecture by the speech in the House of Lords of Lord Buckmaster, where he refers to Miss. Mayo and the great excitement caused in England by the publication of that wonderful book.

Sir, I would now ask my Muslim friends no longer to be dupes of tomorrow. They ought to know that the Honourable the Home Member, having opposed the motion for circulation, the result would be the same even if my Honourable friend, the Mover, pressed it to a division or not. The Muslim community knows that no mere promise of the operation

of the Act being softened by executive directions will suffice, 12 Noon. if it is a matter of conscience with them: whether it operates harshly or whether it does not operate harshly, it is all the same. It was said by certain gentlemen that in the North-West Frontier Province there was no case of early marriage, at any rate early marriages were not frequent there; yet, when the law was passed, a great deal of excitement and a great deal of ferment was caused in that province. Certain gentlemen also spoke in such a way as if they were Abu Hanifas or Abu Yusufs of Islam or as if they were modern Manus and Yajnavalkyas of the Hindus. These are the gentlemen who said that India is now advancing and in India the Muslim law must progress. But they forget that even the highest judicial authorities have laid it down clearly in their decisions

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that no lawyer, however clever he may be, however eminent he may be, so far as his position in life is concerned, can be allowed to interpret the Muslim Law according to his own ideas. I have here a copy of the latest edition of Mulla where he says:

"The Courts, in administering Muhammadan Law, should not, as a rule, attempt to put their own construction on the Koran in opposition to the express ruling of Muhammadan commentators of great antiquity and high authority."

Again, Mulla lays down at page 14, section 27 (9th edition) of his book:

"New rules of law are not to be introduced, because they seem to lawyers of the present day to follow logically from ancient texts however authoritative, when the ancient doctors of the law have not themselves drawn those conclusions."

When that is the state of affairs, it will not do for Sir Harry Haig and others to get up and say that this is the law and that, in the light of modern conditions, Muslim Law should be modified when the highest judicial tribunal in the Empire has laid down that the interpretation of modern lawyers, however clever they may be,—the reference is to the Right Honourable Ameer Ali and Mr. Justice Mahmood—ought not to be accepted when it is in conflict with the views of the ancient law-givers.

Now, Sir, as I am anxious to be brief, I will simply take the speech of the Honourable the Home Member and meet some of his points advanced by him. He said that no attention had been directed in the speeches to the causes which led to the passing of the Sarda Act. What are the causes, he did not care to state; but I have stated myself that one of the potent causes for the Government supporting the Sarda Act was the publication of the "Mother India". If "Mother India" should be the cause of the passing of the Sarda Act, I do not know what "Father India" would be the cause of—perhaps it would be the father of the Untouchability Bill or of Bills for the destruction of some cherished institutions of the Hindus and if the publication of a single book by an American lady would be one of the potent causes for the passage of an Act of far-reaching consequences like the Sarda Act, I do not know whether the publication of "Uncle Sham" would also not modify the laws of America, if not of India. Then he said that it was believed that this Act would be a step in the direction of dealing with what was felt to be a serious social evil. It might have been believed, but now the question is whether it has succeeded in arresting what was believed to be a serious social evil. The immediate effect of the passage of the Act was that thousands and thousands of girls and boys under the ages of 14 and 18 were married *en masse* and I believe children have to be born in order to be married in defiance of the Sarda Act. These are the first fruits of the passage of the Sarda Act. Then, he says, it is to alleviate human suffering and to promote the welfare of the race. Here also the Honourable the Home Member did not enlighten us as to what he meant by human suffering—whether it was the suffering of child birth of girls under that age or the suffering of boys under the age of 18. I do not know in what way boys suffer if they are allowed to marry below the age of eighteen; and, if it is a question of the deterioration of the race or the welfare of the race, I should like the Honourable the Home Member to introduce a Bill punishing fornication and adultery; whereas the doors of people belonging to the oldest profession in the world are wide open in a most inviting way welcoming immature youths who may suffer all their lives

from infectious venereal diseases and later infect their wives and be the fathers of rickety weaklings. I am just going to point out to the House the absurdity of the Act. The Act prohibits the marriage on the ground of humanity, I am told, because the Honourable the Home Member says, in order to alleviate human suffering and promote the welfare of the race. How is the welfare of the race promoted, so far as boys are concerned, if they yield to the imperiousness of male desires and are driven to have recourse to places of ill-fame and catch venereal diseases? How is their health and their physique affected? Do they not communicate the disease afterwards when they are married after the age of 18 to their unfortunate wives with the result that puny children are born? It is absurd to say that for the physical welfare of the people this is necessary. I will not enter into further details, because, if I were to do so, I could point out how Sivaji was the product of child marriage, how Akbar and Babar and even Shah Jehan, not to speak of the Black Prince of England, were the offsprings child marriage. It is absurd to say that physical deterioration is due to child marriage. It is due to other causes. If so much importance is given to that book of Miss Mayo, that estimable lady, whom I have the honour of knowing personally, why not take measures to ameliorate the social conditions of the people all over India? I mean the appalling illiteracy and poverty of the masses. What steps have been taken by Government to remove the illiteracy and ignorance of the people, the epidemics and diseases and the corroding poverty of the people which is largely responsible for mortality? I cannot understand the arguments of people who on the one hand say that in the interests of humanity they are supporting the Sarda Act and, on the other hand, they are most callous and most inhuman where humane considerations are absolutely necessary.

Then, my friend, the Home Member, said that the Muslims never claimed that child marriage was not enjoined upon them by Muslim Law. That is perfectly true. Nor is the cow slaughter enjoined upon us by Muslim Law. Here I want to explain to the House the Muslim point of view. If the majority of Hindus will thrust upon us their point of view and pass a law, because it is acceptable to them, in spite of the fact that it is opposed to Muslim sentiment and Muslim opinion, what will prevent tomorrow some friend of the cow getting up here and introducing a Bill saying that cow slaughter must be stopped? Measures like that are introduced in municipalities, and similar measures might be introduced in this House as well, and the argument may be advanced to the effect that Muslim Law does not enjoin on us the slaughter of the cow. It is true that Muslim Law does not enjoin the cow slaughter, but, at the same time, it is not against the slaughter of the cow. Child marriage is exactly in the same position as the sacrifice of the cow. And, therefore, in these days when our European friends are talking of safeguards, when they are so eclectious of safeguards, and when our orthodox Hindu friends also wait in deputations on His Excellency the Viceroy and ask for religious safeguards, the Muslims too rightly, in view of the attitude of the Government towards this Act, ask what would be their religious safeguard so far as this law is concerned. That is one of the reasons why we are so much opposed to this Act.

I shall recount briefly the history of this Act for the benefit of those Members who were not Members of this House when the Bill was first introduced. It was first introduced under the name of the Hindu Child Marriage Bill. Then it was committed to the Select Committee, and it

[Sir Abdulla-al-Māmūn Suhrawardy.]

emerged from the Select Committee as the Child Marriage Restraint Bill. It was introduced as a civil Bill, but it came out as a criminal Bill. Therefore, I appeal to my Hindu friends, even to my friend, Diwan Bahadur Harbilas Sarda, who originally introduced the Bill in order to stop the crying evil, according to him, of child marriage among the Hindus, to remain at any rate neutral on this occasion. We, who claim exemption from the Bill, want our Hindu friends at least to remain neutral. We want to get this Bill circulated for eliciting public opinion. It is the habit of Government to elicit public opinion when it suits their purpose, to manufacture public opinion when it suits them, and to shut out public opinion when it suits them. It is far better that the Muslims should know at once what is the attitude of Government, than that they should be lulled into false security and made again dupes by the Bill being circulated, because another six months will elapse before they could exactly know what the attitude of the Government towards the Muslims is. From that point of view, I am really grateful to the Honourable the Home Member that without any camouflage, without any waste of time, he got up in the House and told us what the attitude of the Government was.

Now, before I conclude, I should like to appeal to my European friends at least to abstain from taking any part in voting on this question. They have allowed themselves from time to time to be tied to the chariot wheels of the Government, to trample upon the sentiments and the feelings of Indians, Hindus or Muslims, they have allowed themselves to be tied to the apron strings of Government and dragged with them into the same lobby regardless of the effects which it would produce. Bureaucracy is bureaucracy. It does not consist of Sir Harry Haigs or Sir Brojendra Lal Mitters. It is a soulless machine. It would make no difference whatever even if it consisted entirely of Muslims. Those gentlemen, who are Members of Government, will vote not as Muslims, not as Indians, but they always vote as part of that soulless machine. No importance need be attached to their votes. There is a provision in the Lucknow Pact which says that when two-thirds of any particular community opposes any measure, which affects that community from the religious or social point of view, that measure should not be proceeded with and, I believe, similar demands are made by the Muslim League and by the Muslim Conference, and possibly by my orthodox Hindu friends also for religious safeguards, but I think there is some danger in the light of our present experience, because in a House like the Council of State, Government might get round a certain number of Muslim Members and say: "Here you have less than two-thirds who oppose this Bill and, therefore, the Bill is acceptable." Government are past masters in the art of manufacturing Muslim opinion when it suits them.

I was appealing to my European friends that they should not allow themselves to be tied to the apron strings of the Government. The bureaucracy is under a sentence of death. It is doomed, and will disappear with the dawn of the new Constitution, but you will be with us. Do not, by your foolish attitude of slavish subservience to Government, allow yourselves to be dragged into the lobby like dumb driven cattle and earn for yourselves a legacy of hatred and bitterness. All that I ask you to do is at least to remain neutral. My friend, Mr. Arthur Moore, interrupted me the other day and said that it was not the Europeans who made the Bill applicable to Muslims, but it emerged from the Select

Committee in that form. I am glad of his interruption. If that interruption indicates any change of heart, you have got the opportunity even today to show by at least your neutrality that you are not a party to what the Government wish to do today. I make the same appeal to my orthodox Hindu friends. My friend, Sir Hari Singh Gour, might do whatever he likes to destroy the institutions of the Hindus and go down to posterity as the modern Manu, and my friend, Diwan Bahadur Harbilas Sarda, may even be worshipped by countless generations of old maidens and young unmarried women as an Avatar. He may be apotheosised in the same way as Mahatma Gandhi. I have nothing to say against his noble ambition. My friend, the Diwan Bahadur, had been careful to fix the marriageable age at 18 and 14 for males and females, but he has done nothing to prevent that act of great cruelty to women, an old man of three-score years and ten marrying a girl of 15. I appeal to him to remain neutral on this occasion. I appeal to him to do exactly what he wanted us to do when the Hindu Child Marriage Restraint Act was under consideration. I make the same appeal to my friends, the Members of the Independent Party. There are Hindus and Parsis therein. They may be all enlightened gentlemen and there may be no question of child marriage amongst them. But I want them to restrain their own personal feelings and personal opinions and not be a party to the defeat of this Bill by the Government. We will be quite content if we are defeated by the Government, by their sheer weight of numbers with their nominated block. That will open the eyes of the Muslims who have been deluded into the belief that Government support them. That will cure them of their habit of fawning and flattering and hanging on the smiles of Government.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member has kept up his contract of one hour.

**Sir Abdulla-al-Māmūn Suhrawardy**: I am finishing now. This motion is moved not by a Member of the Independent Party, nor by an unattached Member, but by a Member of the United India Party. Let us see what treatment the United India Party, the loyal and faithful henchman of Government, receives at the hands of the Government. The Honourable the Home Member, an honest and outspoken gentleman that he is, has already indicated the attitude of the Government, and that is to oppose the Bill. Before I sit down, I will address a few remarks to the Government themselves. When I rise to address the Government, I do so more in sorrow than in anger. I feel it to be my duty to point out to Government the folly of the attitude they have taken, misled, as I believe, by the advice that they have received from certain gentlemen as to the attitude of enlightened Muslims on this particular question. The throwing out of this Bill will have a far reaching effect on the peace and contentment of the people. The Honourable the Home Member got up and practically repudiated what he considered to be an insinuation on my part regarding the Anti-Untouchability Bill although I made no insinuation and I was simply trying to meet the point of view of those who had insinuated that I was in conspiracy with Government to oppose the Anti-Untouchability Bill. It appears as if on the motion for the eliciting of public opinion on the Anti-Untouchability Bill—I may prophesy without claiming to be a prophet—the Government will get up and say yes, we are in sympathy with the object of the Bill though it affects the Hindu religion, whereas though they know very well



[Sir Abdulla-al-Māmūn Suhrawardy.]

that the Sarda Act is against Muslim opinion and that in the Select Committee there were only two Muslims, Mr. Jinnah and Sir Muhammad Yakub, and Sir Muhammad Yakub has expressed his opinion on the floor of the House and Mr. Jinnah has included religious safeguard in his Fourteen Points, yet Government will oppose this measure. I am perfectly sure that sooner or later, like the slogan of "Release the Mahatma", will be heard the cry of "Repeal the Sarda Act", which will be repeated from every platform and press in this country and reverberate throughout the length and breadth of the land till Government see their way to act up to public opinion or till between Gandhi and Government there will be such a ferment in the land that all slogans and war cries will be drowned in that of *Delenda est Carthago*. (Cheers.)

**Several Honourable Members:** The question may now be put.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. When the motion is made that the question be now put, it is for the Chair to decide whether it will agree to accept the closure or not. But it should be made perfectly clear that when the Chair agrees to accept a closure motion, the Chair does not thereby close the debate. It only gives an opportunity to the House itself to decide whether it would proceed with the debate or close the debate. The only circumstance in which the Chair will not accept a closure is when the Chair is convinced that the right of minorities has been suppressed and that there has not been a fair debate. In this connection, from the cry, that came from various quarters of the House that the question be now put, the Chair ought to give an opportunity to the House itself to decide whether it will continue the debate or not. After all, the motion before the House is one for the circulation of the Bill. Six Honourable Members have already taken part in the debate representing various points of view, and it is perhaps proper that the Chair should allow the House itself to decide whether it will further continue the discussion of the motion.

**Raja Bahadur G. Krishnamachariar:** Not the Hindu point of view yet.

**Pandit Satyendra Nath Sen** (Presidency Division: Non-Muhammadan Rural): I only want to make a short speech for two or three minutes.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Do Government want to reply?

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain** (Member for Education, Health and Lands): I wanted to speak . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): On behalf of Government?

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** Hardly that. I am not a Member of the House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member, not being a Member of the House, has no right to

address the House in his individual capacity, but a Member of the Executive Council of the Governor General has got, under the Statute, the right of addressing the House, and it is presumed that that will be on behalf of the Government. If the Honourable Member wants to address on behalf of the Government, the Chair will certainly allow him to do so.

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhammadan): When the closure has been moved that the question be now put, and it is accepted by the House, the Government get the right of replying.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): And that is why the Chair has allowed the Honourable Member to speak on behalf of Government.

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): Sir, if you have accepted the closure, it is after the decision of the House that the Chair will ask the Government Member to address the House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair is obliged to the Honourable Member for drawing its attention. The question is that the question be now put.

The Assembly divided:

AYES—40.

Abdul Matin Chaudhury, Mr.  
Azhar Ali, Mr. Muhammad.  
Badi-uz-Zaman, Maulvi.  
Chandi Mal Gola, Bhagat.  
Das, Mr. B.  
Dudhoria, Mr. Nabakumar Sing.  
Hari Raj Swarup, Lala.  
Isra, Chaudhri.  
Jadhav, Mr. B. V.  
Jawahar Singh, Sardar Bahadur  
Sardar.  
Jehangir, Sir Cowasji.  
Jog, Mr. S. G.  
Joshi, Mr. N. M.  
Kyaw Myint, U.  
Lalchand Navalrai, Mr.  
Lal Chand, Hony. Captain Rao  
Bahadur Chaudhri.  
Liladhar Chaudhury, Seth.  
Maswood Ahmad, Mr. M.  
Mitra, Mr. S. C.  
Mody, Mr. H. P.

Mudaliar, Diwan Bahadur A. Rama-  
swami.  
Murtuza Saheb Bahadur, Maulvi  
Sayyid.  
Neogy, Mr. K. C.  
Nihal Singh, Sardar.  
Parma Nand, Bhai.  
Phookun, Mr. T. R.  
Raghubir Singh, Kunwar.  
Rajah, Rao Bahadur M. C.  
Rajan Bakhsh Shah, Khan Bahadur  
Makhdum Syed.  
Ranga, Iyer, Mr. C. S.  
Rastogi, Mr. Badri Lal.  
Roy, Rai Bahadur Sukhraj.  
Sarda, Diwan Bahadur Harbilas.  
Sarma, Mr. R. S.  
Shah Nawaz, Mian Muhammad.  
Singh, Kumar Gupteshwar Prasad.  
Singh, Mr. Gaya Prasad.  
Suhrawardy, Sir Abdulla-al-Māmūn.  
Uppi Saheb Bahadur, Mr.  
Ziauddin Ahmad, Dr.

NOES—17.

Ahmad Nawaz Khan, Major Nawab.  
Anwar-ul-Azim, Mr. Muhammad.  
Biswas, Mr. C. C.  
Dutt, Mr. Amar Nath.  
Ghuznavi, Mr. A. H.  
Gunjal, Mr. N. R.  
Ismail Ali Khan, Kunwar Hajee.  
Jha, Pandit Ram Krishna.  
Krishnamachariar, Raja Bahadur G.

Lahiri Chaudhury, Mr. D. K.  
Misra, Mr. B. N.  
Muazzam Sahib Bahadur, Mr.  
Muhammad.  
Mukherjee, Rai Bahadur S. C.  
Pandian, Mr. B. Rajaram.  
Rajah, Raja Sir Vasudeva.  
Sen, Pandit Satyendra Nath.  
Thampan, Mr. K. P.

The motion was adopted.



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LEGISLATIVE ASSEMBLY.

[24TH MARCH 1933.]

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Does the Mover of the motion want to reply?

**Khan Bahadur Haji Wajihuddin** (Cities of the United Provinces: Muhammadan Urban): Yes, Sir. Before I proceed to deal with the opposition levelled against my speech on the 27th February last by my Honourable friend, Sir Harry Haig, I think it my duty to thank all Honourable Members of this House who have accorded wholehearted support to my motion. The Honourable the Home Member said the other day that . . .

**Mr. D. K. Lahiri Chaudhury** (Bengal: Landholders): On a point of order, Sir, you just now permitted Sir Fazl-i-Husain to reply on behalf of Government? Will his speech be delivered after the reply of the Mover or before?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): When the closure has been applied and accepted, before the original question is put, the Mover of the motion has got a right of reply, and the Chair has accordingly called upon the Mover of the motion to reply. The Government Member may also reply if he desires to do so.

**Mr. A. H. Ghuznavi** (Dacca cum Mymensingh: Muhammadan Rural): Today is Friday, and Mussalmans want to go for their Juma prayers.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Yes. The Chair proposes to adjourn the House at a quarter to one.

**Khan Bahadur Haji Wajihuddin**: Sir, the other day when the Government supported the Sarda Bill, it was stated that it was felt that it would tend to alleviate human suffering and promote the welfare of the race, that it was not from any wanton desire to interfere with the religious practices or beliefs of any community in this country, and that hence the Government were not able even to accept my motion for circulation of the amending Bill. Sir, I am very much disappointed with this unexpected answer, and I cannot understand how the Government can claim that they supported the Sarda Bill simply to better the lot of the suffering humanity, for the institution of early marriage is not the solitary evil under which the Indian nation groans, and the removal of it is by no means the immediate requirement of the Indian people.

Now, if the Government take credit to themselves for such a humanitarian principle, it is all the more their duty to realize the mistake they had committed in supporting the Sarda Bill in the face of almost united Muslim opposition and thus wounding their religious susceptibilities. The least that they should do today is to support my Bill wholeheartedly. Sir, may I ask my Honourable friend, the Home Member, what justification the Government have for interfering with the religious code of the Muslims and inflicting a foolish piece of legislation on them under the pious garb of humanity when the Government themselves admit that "it is the fixed principle of the Government of India not to interfere in any way whatsoever with the personal 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"?

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): On a point of order, Mr. President. Is it in order to call a piece of legislation, passed by this Honourable House by an overwhelming majority, a foolish piece of legislation?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If the Honourable Member has used such a word, he ought to withdraw it.

**Khan Bahadur Haji Wajihuddin**: I withdraw the word, Sir.

Now, the question is, to what extent have the Government adhered to that principle in this matter and on what authority they decided to improve the lot of unwilling people? Sir, in my last speech I quoted certain references in the speech delivered in this House on the 3rd February, 1931, by my esteemed friend, the Leader of the House, which clearly shows that, so far as the Muslims are concerned, Government had adopted quite a wrong policy in supporting the Sarda Bill in the year 1929. Sir, it is, therefore, the right time to rectify that mistake by supporting my motion for circulation of my Bill. May I ask my Honourable and esteemed friend, the Leader of the House, to come forward and plead a just cause as was done by him on the 3rd February, 1931? May I ask, Sir, even if the Honourable the Home Member's notion of humanity conflicts with our religious code, are we to stand to his dictation? Do we not consider the Islamic Code a perfect law? Can any secular Legislature of the land improve the lot of humanity better than our religious code does? I may be pardoned, Sir, if I ask the Honourable the Home Member in what other spheres has he acted upon his professions of humanity? Is it not real humanity to fight against the drink evil? Is it not a fact that, for the sake of 20 crores of rupees of revenue, the Government opposed the Prohibition Resolution moved by me in 1925? May I ask, Sir, is it not real humanity to put an end to the shameless evil of prostitution? The whole country is clamouring against this, but have the Government ever done anything to eradicate this? (*Some Honourable Members*: "Be short.") Very well, Sir, I shall not take up so much time. (Hear, hear.) I request that my Bill be circulated for eliciting Muslim public opinion thereon. If the majority of Muslim public opinion turns out in favour of my amended Bill, then and then alone will I request permission to bring forward the consideration motion. Otherwise not. With these words, I resume my seat.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): It is now a quarter to one, and today being Friday, the Assembly will now adjourn and re-assemble at a quarter past two. Will that suit the convenience of the Honourable Member?

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: Yes, Sir.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: Sir, the Bill under discussion relates to a measure that was passed by the Assembly in 1929 and is now called the Child Marriage Restraint Act, XIX of 1929. The discussion on this Bill, although on the motion for circulation, has covered a good deal of ground. The merits of the Bill have been discussed;

[Sir Fazl-i-Husain.]

the principle of the Bill has been discussed; and, as a matter of fact, even the working of the Bill has been discussed. Its evil consequences have been dilated upon and amongst other arguments urged are, firstly, that the Bill violates the principles of the Islamic Law; secondly, that it is not needed by the Muslim community inasmuch as child marriage does not prevail in that community.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): As a general rule.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** Yes, "prevail" means that. Thirdly, that this Legislature has no jurisdiction to pass a measure like this modifying the personal law of the Muslims; and, fourthly, that a measure like this was needed by the Hindu community amongst whom the evil existed and where it existed the law and practices prevailing amongst the Hindus did not permit those evil consequences to be counter-acted. Sir, I do not think the House just now is in the mood to like me to traverse the whole ground raised by these four contentions, nor perhaps on a motion for circulation it would be advisable for me to try to meet the arguments that have been urged. It will suffice perhaps to say that the distinction made by one of the speakers, my friend, Sir Abdulla Suhrawardy, between the violation of an injunction of the Islamic Law and the restriction of the scope of the discretion allowed to an individual or a group of individuals was such a valuable contribution to the controversy that, as I understand it, it really smashed the argument of the Honourable the Mover of this motion. What, then, is the position? We have been asked that as it is a very inoffensive little motion for circulation, what harm does it do if Government keep quiet and let the Bill be circulated. Why should Government take up an attitude of opposition? Well, Sir, at certain stages the controversy on the first day of the discussion grew quite warm. It was urged that Government had wantonly interfered with the personal law of the Muslims. Why they did so, no attempt was made to say. Surely it was not one of the points to which Government as Government could attach an importance, that they should go out of their way to wantonly interfere with the personal law of a community with whom they had no particular quarrel. It was said that probably Government were misled inasmuch as the law was wanted by the Hindus . . . . .

**Raja Bahadur G. Krishnamachariar:** It was not.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** So they say.

**An Honourable Member:** It was wanted only by one section of the Hindu community.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** Quite right. It was said that it got fastened on to Muslims, because they were not vigilant enough to oppose its application to themselves at the earliest date possible. Because they were quiet and not wide awake, that this law took them into its own fold. I do not want again to go into the history of this matter, because it will take me too long to do so. There is a clear distinction, I admit, between the needs of the two communities so far at

least as the law is concerned. I believe I am not far wrong that the evil of child marriage on the whole is more rampant in the Hindu society than in the Muslim society.

**Mr. B. Sitaramaraju.** (Ganjam cum Vizagapatam: Non-Muhammadian Rural): May I just point out, Sir, that there are several Hindu communities where child marriage is not common and they form the majority of the Hindus.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** Quite possible. They are in the majority in India?

**Mr. B. Sitaramaraju:** I said the majority of Hindus.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** I am glad to hear that, very glad indeed. There is, however, so far as the law is concerned, also if I may say so, a distinction. The law amongst the Hindus is understood generally to be definitely for child marriage; amongst Muslims it cannot be said to be for child marriage. There, again, it is one of the numerous points which one has to take notice of in this problem. Far be it from me to say that Government have tried to make any distinction between the two communities. Government proceeded on but one principle and that principle was of promoting a mild social reform in the interests of humanity.

**Nawab Naharsingji Ishwarsingji** (Bombay Northern Division: Muhammadan Rural): Was this the only question of humanity? There are so many other questions of humanity pending solution.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** My Honourable friend will recognise that however mighty a Government may be, it cannot take up all points at once. That is enough to meet the interruption. As I was saying, Sir, this was, so far as Government were concerned, purely a measure of social reform. Government, it is urged by supporters of the motion, have been unwise in thinking that there were fairly large sections of Indians of education, light and leading who were prepared to stand by this reform. It was on that understanding that Government felt that they ought not to stand in the way of that reform, but to such extent, as lay within their power, give it a mild form of support. If, however, it is felt by the House that Government were under a misapprehension on that point, I assure the House that Government are not bound by any conclusions that they may have arrived at on such evidence as was before them at that time.

**Diwan Bahadur Harbilas Sarda** (Ajmer-Merwara: General): That evidence still stands.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** I am glad to hear it; but if Honourable Members assert that Government were under a misapprehension at that time, only under that condition would Government be prepared to reconsider the matter. But to a very large extent Government have to go in the first instance by the expression of opinion of the accredited representatives of the people who are here to assist Government in legislative measures. My task, therefore, in view of such other business as has to come up before the House, is a fairly simple one. Government still stand by the principle of the Act which it is attempted to modify by this Bill. If it is alleged that there is very little support for that measure in this House and outside it, Government are prepared to wait and see.

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa: Muhammadan): What about interference with religion?

**Pandit Ram Krishna Jha** (Darbhanga *cum* Saran: Non-Muhammadan): Why not circulate it?

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: Well, Sir, two interruptions have come my way. One is, what about interference with religion, and the other is why not circulate the Bill. I cannot see how circulating the Bill can remove interference with religion. *That* it cannot. Even if we circulate it 50 times, if the Bill interferes with religion, it will still continue to interfere with religion.

**Mr. M. Maswood Ahmad**: You will know the religious views.

**Mr. Amar Nath Dutt**: And religion too.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: I know it perfectly well. The Honourable Member says, what about religious views. I have already pointed out to the House that the religious argument has been very effectively smashed by the able argument of the Honourable Member who comes from the same great province as Mr. Amar Nath Dutt who interrupted me, and that is Dr. Suhrawardy. His scholarship came to his rescue when his emotion and sentiments had almost overpowered him,—great credit to him is due for that. He has clearly pointed out a distinction which may not be patent to those who are not familiar with the *fiqah*, i.e., the Islamic law of the Muslims. He has said that orders and injunctions of Islam can be divided under two heads. There are, on the one hand things which you must or must not do and, on the other hand, things which you are permitted to do. If there is an order which falls under the first category, any alteration of it would be an interference to that extent with that order. As regards the second category, it is a discretionary matter. I can say to myself, I am allowed by the tenets of my religion to go to the extent of marrying four wives, but I will limit myself to one. Will any Honourable Member say that thereby I am disobeying the injunctions of Islam? There are certain rules which say that you may do a thing, and my friends forget that "may" is not "must". If an individual can restrict himself within the field of discretion, surely a number of individuals can meet together and restrict themselves similarly.

**Sir Muhammad Yakub**: I would remind the Honourable Member that if, by any Act of the Legislature, you restrict marriage to one wife, it would be an interference with law according to the Muslim *fiqah*.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: I think the Honourable Member need not get excited over the threatened legislation limiting the number of wives. (Laughter.)

**Sir Muhammad Yakub**: With such exponents of Islam, it may come to that.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: If you get on democratically enfranchising women, you may have even stronger exponents of Islam than my humble self. However, do not let me go far afield from the actual subject under discussion which is simply this. Is it or is it not open to a community or a collection of individuals by mutual agreement to say that things permissible to us we, for certain social or economic reasons, are going to deny to ourselves?

**Mr. M. Maswood Ahmad**: That is *wajib*, not *nafl*.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: What I am talking of is quite different. The Honourable Member should know that his phraseology does not apply to this discussion.

**Sir Muhammad Yakub**: We are not having *aj mae ummat* in this House.

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: My Honourable friends are now shifting the ground. First they said it was an interference with religion. Having convinced them that it is not interference with religion, now they challenge the jurisdiction of this House. If I were to enter upon that discussion, I will have to ask them, is it not a fact that all Muslims of different shades of political thought and opinion in the country have never gone beyond suggesting that a measure affecting them should be considered as passed if, by a two-third majority, they are in support of it, meaning thereby that if such a majority is forthcoming, such a law can be passed by this Legislature or its successors? That, again, is a very interesting constitutional point and I should very much like really to talk about it as I find it of absorbing interest and, moreover, of extreme importance to the country. But I do not think the House would like me to dilate on it as they are so keenly interested on a more interesting subject than this one, at all events this afternoon. I would, therefore, tell the Honourable Members to make up their minds. Do they really want Government to reconsider the principle of the Act? If they do, Government will not take up the attitude that we made up our minds once and there is no changing. Government opinion, as I said, was based not upon their personal individual opinion or upon the opinion of Government as a corporate body, but on the basis of data supplied to that Government by the expression of opinion of leading Members of this House at the time and leading people of light and education outside the House.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, does circulation of the Bill really mean reconsideration of the principle of the Bill?

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: Well, Sir, circulation of a Bill can mean only one thing. The authority sanctioning circulation is in doubt. It does not know its own mind and would like some light to be thrown on the matter. It can have no other meaning.

**Sir Hari Singh Gour**: Sir, may I enquire from the Honourable Member whether the motion for circulation does not imply an assumption of authority and jurisdiction which is denied to this House?

**The Honourable Khan Bahadur Mian Sir Fazl-i-Husain**: Perfectly true; a more strong constitutional point going to the very root of the motion could not have been so well put by me as has been put by my Honourable friend, the Leader of the Opposition. Therefore, Sir, I want to make the matter clear beyond all doubt that Government do not take up an obstructive attitude. Government are ready to stand by the decision they arrived at in the light of facts which were before them. If other facts have come to the knowledge of the Honourable Members who represent the country Government will be prepared to consider them. (A voice: "No new facts have come.") Therefore, as was said by the Honourable the Home Member last time when we discussed this, we are opposed to the motion.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That the Bill to amend the Child Marriage Restraint Act, 1929, for certain purposes, be circulated for the purpose of eliciting Muslim public opinion thereon."

The Assembly divided:

## AYES—44.

Abdul Matin Chaudhury, Mr.  
Abdur Rahim, Sir.  
Anwar-ul-Azim, Mr. Muhammad.  
Azhar Ali, Mr. Muhammad.  
Badi-uz-Zaman, Maulvi.  
Bluput Singh, Mr.  
Biswas, Mr. C. C.  
Brij Kishore, Rai Bahadur Lala.  
Chinoy, Mr. Rahimtoola M.  
Dutt, Mr. Amar Nath.  
Ghuznavi, Mr. A. H.  
Gunjal, Mr. N. R.  
Ibrahim Ali Khan, Lieut. Nawab  
Muhammad.  
Ishwarsingji, Nawab Naharsingji.  
Jehangir, Sir Cowasji.  
Jha, Pandit Ram Krishna.  
Krishnamachariar, Raja Bahadur G.  
Lahiri Chaudhury, Mr. D. K.  
Liladhar Chaudhury, Seth.  
Maswood Ahmad, Mr. M.  
Misra, Mr. B. N.  
Mittra, Mr. S. C.  
Mody, Mr. H. P.  
Muazzam Sahib Bahadur, Mr.  
Muhammad.

Mudaliar, Diwan Bahadur A. Rama-  
swami.  
Mukherjee, Rai Bahadur S. C.  
Murtuza Saheb Bahadur, Maulvi  
Sayyid.  
O'Sullivan, Mr. D. N.  
Pandian, Mr. B. Rajaram.  
Puri, Mr. Goswami M. R.  
Rafuddin Ahmad, Khan Bahadur  
Maulvi.  
Rajah, Raja Sir Vasudeva.  
Rajan Bakhsh Shah, Khan Bahadur  
Makhdom Syed.  
Ranga Iyer, Mr. C. S.  
Roy, Rai Bahadur Sukhraj.  
Sen, Pandit Satyendra Nath.  
Shafee Daoodi, Maulvi Muhammad.  
Sitaramaraju, Mr. B.  
Suhrawardy, Sir Abdulla-al-Māmūn.  
Talib Mehdi Khan, Nawab Major  
Malik.  
Uppi Saheb Bahadur, Mr.  
Wajihuddin, Khan Bahadur Haji.  
Yakub, Sir Muhammad.  
Ziauddin Ahmad, Dr.

## NOES—46

Abdul Hye, Khan Bahadur Abul  
Hasnat Muhammad.  
Acott, Mr. A. S. V.  
Ahmad Nawaz Khan, Major Nawab.  
Allah Baksh Khan Tiwana, Khan  
Bahadur Malik.  
Bajpai, Mr. G. S.  
Bhore, The Honourable Sir Joseph.  
Clow, Mr. A. G.  
Dalal, Dr. R. D.  
Das, Mr. B.  
DeSouza, Dr. F. X.  
Dudhoria, Mr. Nabakumar Sing.  
Dutt, Mr. G. S.  
Dutt, Mr. P. C.  
Gidney, Lieut.-Colonel, Sir Henry.  
Grant, Mr. C. F.  
Gwynne, Mr. C. W.  
Haig, The Honourable Sir Harry.  
Hezlett, Mr. J.  
Jadhav, Mr. B. V.  
Jawahar Singh, Sardar Bahadur  
Sardar.  
Jog, Mr. S. G.  
Joshi, Mr. N. M.  
Lalchand Navalrai, Mr.

Lal Chand, Hony. Captain Rao  
Bahadur Chaudhri.  
Leach, Mr. A. G.  
Metcalf, Mr. H. A. F.  
Mitchell, Mr. D. G.  
Mitter, The Honourable Sir  
Brojendra.  
Nihal Singh, Sardar.  
Noyce, The Honourable Sir Frank.  
Pandit, Rao Bahadur S. R.  
Parma Nand, Bhai.  
Raghubir Singh, Kunwar.  
Rastogi, Mr. Badri Lal.  
Rau, Mr. P. R.  
Ryan, Sir Thomas.  
Sarda, Diwan Bahadur Harbilas.  
Schuster, The Honourable Sir George.  
Scott, Mr. J. Ramsay.  
Seaman, Mr. C. K.  
Sher Muhammad Khan Gakhar,  
Captain.  
Singh, Kumar Gupteshwar Prasad.  
Singh, Mr. Pradyumna Prasad.  
Smart, Mr. W. W.  
Tottenham, Mr. G. R. F.  
Vachha, Khan Bahadur J. R.

The motion was negatived.

## THE HINDU TEMPLE ENTRY DISABILITIES REMOVAL BILL.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muham-  
madan Rural): Sir, I move for leave to introduce a Bill to remove the  
disabilities of the so-called depressed classes in regard to entry into Hindu  
temples . . . .

**Mr. D. K. Lahiri Chaudhury** (Bengal: Landholders): Sir, I rise to a  
point of order and it is this: there has been a convention established in  
this House that there will be no opposition to the introduction of Bills. But  
that particular convention is also coupled with another convention that no  
further motions on the same Bill should be made on that particular day.  
Now, I see in the list there is another motion for getting this Bill circulated  
for eliciting opinion thereon, and I want your ruling on that particular  
motion.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty):  
The point of order raised by the Honourable Member is a little too prema-  
ture: it does not arise on this particular motion.

**Mr. D. K. Lahiri Chaudhury**: I want your ruling, Sir, on the point  
whether you will allow the further motion to be made.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty):  
The ruling, if necessary, will be given by the Chair if and when the point  
of order is raised at the proper time.

**Mr. K. P. Thampan** (West Coast and Nilgiris: Non-Muhammadan  
Rural): Sir, I rise to a point of order. My point is that this Bill is outside  
the jurisdiction and *ultra vires* of this House and cannot be taken up. I  
crave your indulgence for a while, Sir, as this is an important, but highly  
technical, question and I may probably take some time to develop it. The  
Government of India Act provides, with a view to granting to the popular  
Ministers in the Provinces of India, a large measure of independence of the  
control of the Central Government and for the gradual development of  
self-governing institutions in this country, for the classification of all  
administrative heads into two distinct groups called the Central and Pro-  
vincial subjects. Section 45A (page 73 of the Government of India Act)  
lays down:

"Provision may be made by rules under this Act—

- (a) for the classification of subjects, in relation to the functions of government, as  
central and provincial subjects, for the purpose of distinguishing the  
functions of local governments and local legislatures from the functions of the  
Governor General in Council and the Indian legislature;
- (b) for the devolution of authority in respect of provincial subjects to local  
governments, and for the allocation of revenues or other moneys to those  
governments;

Then, again, with regard to provincial subjects, sub-section (d) provides  
for as follows:

- (d) for the transfer from among the provincial subjects of subjects (in this Act  
referred to as "transferred subjects") to the administration of the governor  
acting with ministers appointed under this Act, and for the allocation of  
revenues or moneys for the purpose of such administration."

**Mr. B. Das** (Orissa Division: Non-Muhammadan): On a point of order, Sir, . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): A point of order is being raised and there cannot be a point of order on a point of order.

**Mr. K. P. Thampan:** The main Act does not attempt to divide the subjects, but leaves it to the Rules to be framed thereunder. Sub-section (2) (i) of section 45A reads:

"Without prejudice to the generality of the foregoing powers, rules made for the above-mentioned purposes may regulate the extent and conditions of such devolution, allocation and transfer."

Pursuant to this and for the purpose of implementing what is provided for in this section, certain sets of Rules, known as the Devolution Rules, were framed and promulgated in December, 1920. They were approved of by both Houses of Parliament, and, so far as this House is concerned, have the same statutory force as the Act itself . . . .

**Mr. R. S. Sarma** (Nominated Non-Official): Are we not entitled, Sir, to know what the point of order is, before the point is developed?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair thinks that the Honourable Member is entitled to develop his point.

**Mr. K. P. Thampan:** Sir, I have already said what my point of order is. I will now proceed. Section 129A(1) and the proviso in it make this very clear and beyond doubt. They run thus:

"Where any matter is required to be prescribed or regulated by rules under this Act, and no special provision is made as to the authority by whom the rules are to be made, the rules shall be made by the Governor General in Council, with the sanction of the Secretary of State in Council, and shall not be subject to repeal or alteration by the Indian legislature or by any local legislature."

Now, I must take you to the part dealing with the classification of the subjects. Part I of the Devolution Rules does it. Article 3(1) and (2) lays down:

"For the purpose of distinguishing the functions of the Local Governments and local Legislatures of Governors' provinces . . . . from the functions of the Governor General in Council and the Indian Legislature, subjects shall in those provinces be classified in relation to the functions of Government as central and provincial subjects in accordance with the lists set out in Schedule I."

Any matter which is included in the list of provincial subjects set out in Part II of Schedule I shall, to the extent of such inclusion, be excluded from any central subject of which, but for such inclusion, it would form part."

Sir, I wish you will mark the words "the Local Governments and local Legislatures" and the words "the Governor General in Council and the Indian Legislature", to the importance of which I shall refer later on. Religious and charitable endowments are treated as provincial subjects and entered as item 23 of the Schedule, page 206. The provincial subjects are again divided into two categories, known as the Reserved and Transferred subjects, as contemplated in the section. Article 6 deals with it and runs thus:

"The provincial subjects specified in the first column of Schedule II shall, in the Governors' provinces shown against each subject in the second column of the said Schedule, be transferred subjects;"

Schedule II sets out the various subjects under this class and you will find that in all Governors' provinces item 15, page 212, religious and charitable endowments are transferred subjects.

The point we have to consider is, what are the powers of the Governor General in Council and the Indian Legislature *vis-à-vis* the transferred subjects under the Provincial Governments. We find in sub-section (3) of section 45A that:

"The powers of superintendence, direction and control over local Governments vested in the Governor General in Council under this Act shall, in relation to transferred subjects, be exercised only for such purposes as may be specified in rules made under this Act . . . ."

Then, again, it is the Rules that we have to look to for guidance. But, before attempting to do so, I have to invite your attention to what the Joint Select Committee on the Government of India Bill said in regard to this. They say in para. 2, page 27, last sentence:

"Over transferred subjects, on the other hand, the control of the Governor General in Council, and thus of the Secretary of State, should be restricted in future within the narrowest possible limits, which will be defined by rules under sub-clause 3 of clause 1 of the Bill."

In considering the draft rules of devolution, the Joint Select Committee again expressed the same opinion, though they were dealing mainly with the expenditure of transferred subjects. They make no bones to state:

"But subject to these limitations Ministers should be as free as possible from external control, and the control to be exercised over expenditure on transferred subjects should be exercised by the provincial legislature, and by that body alone."

It is also noteworthy that in commenting on the Rule framed under section 33 which deals with the general powers of the Governor General in regard to the direction, control and supervision of the entire administration of this country, the Committee say thus on page 179:

"The Committee consider that no statutory divestment of control, except over the transferred field, is either necessary or desirable."

In other words, they recommend that over the transferred field divestment of control is necessary and desirable. This recommendation was embodied in Article 13 of the Devolution Rules, which will be found on page 188. It reads thus:

"Subject to the provision of these rules, provincial subjects shall be administered by the local Government. But save in the case of transferred subjects, nothing in these rules shall derogate from the power of superintendence, direction and control conferred on the Governor General in Council by the Act."

Sir, mark the words "save in the case of transferred subjects". The whole issue is clinched in Article 49 dealing with the limitation of control. This is what it says:

"The powers of superintendence, direction and control over the Local Government of a Governor's province vested in the Governor General in Council under the Act shall, in relation to transferred subjects, be exercised only for the following purposes, namely:

- (1) to safeguard the administration of central subjects;
- (2) to decide questions arising between two provinces, in cases where the provinces concerned fail to arrive at an agreement, and
- (3) to safeguard the due exercise and performance of any powers and duties possessed by, or imposed on, the Governor General in Council under, or in connection with, or for the purposes of the following provisions of the Act, namely section 29A, section 30(1-A), Part VIII-A, or of any rules made by, or with the sanction of, the Secretary of State in Council."

Nothing can be clearer than that.

[Mr. K. P. Thampan.]

The powers of the Governor General in Council and of the Indian Legislature as described in Article 3 (1) to which reference has already been made are conjoint and not separable. If the Governor General has no power of control or direction, it goes without saying that the Indian Legislature also has no right to legislate for transferred subjects. While on this subject, I may be permitted to draw your attention to the proviso to Rule 6, which reads thus:

"Provided that the Governor General in Council may, by notification in the Gazette of India, with the previous sanction of the Secretary of State in Council, revoke or suspend for such period as he may consider necessary the transfer of any provincial subject in any province, and upon such revocation or during such suspension the subjects shall not be a transferred subject."

Now, Sir, it is apparent, therefore, that if the Governor General in Council wants to exercise control over any transferred subject, he must suspend or revoke such transfer, and until and unless that is done, the subject is absolutely outside his control. Such a revocation or transfer has not yet been made with regard to religious endowments and it is, therefore, the Provincial Councils and Provincial Councils alone that can take up this legislation. The wide powers of legislation under section 65 of the Indian Legislature are, I submit, limited to its own sphere and ambit of its own activities.

In this connection it may not be irrelevant to refer to some of the most important clauses of the Bill. Clauses 7 and 8 are amendments to the Madras Act XI of 1927. I venture to submit that that is pre-eminently a measure for the Madras Legislative Council to undertake, and this House can have nothing to do with such a thing.

There is one more point to which I wish to refer. It is the sanction accorded by His Excellency the Governor General for the introduction of this Bill under section 67 (2). It may be that His Excellency has given due consideration to this aspect of the question. It may be equally possible that he has not. For all I know he has been wrongly advised. That sanction, I trust, will not weigh with you in your decision. You are the custodian of the rights and privileges of this House, and I am confident you will give a correct and impartial ruling based on its merits alone, despite all other considerations.

**Mr. R. S. Sarma:** May I answer his point of order, Sir?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If the Honourable Member has got anything to say on the point of order, he can speak.

**Mr. R. S. Sarma:** I think, Sir, the point of order raised by my friend, Mr. Thampan, is entirely wrong, because of this. He wants to build his point of order or point of disorder on the Devolution Rules which, in my opinion, are matters for adjustment and arrangement between the Central executive and the Provincial executive.

The second point is that this Assembly, according to the Government of India Act, has the power to legislate for all persons and for all places in British India.

And the third point is, if I remember aright, on the floor of this House two Bills of a similar character which can be described as Bills referring to Transferred Subjects have been disposed of, and I think my friend, Sir Hari Singh Gour, will bear me out,—namely, the Religious Endowment Bill and the Mussalman Waqfs Registration Bill which was moved by Mr. Abul Kassim, and, therefore, I think this point of order is wholly irrelevant.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): Sir, I only want to make one or two observations. While I agree with much of what my friend, Mr. Thampan, has said, I think he has gone wrong in the interpretation of the words "religious and charitable endowments". Those words relate to property. They do not relate to those intangible rights which are called civil rights. The present Bill deals with civil rights, not connected with the religious rights, and what this Bill seeks to regulate is the civil rights apart from any right over property. It cannot be said that entry into a temple is a right of property. It is not a right *in personam*; it is not a personal right, nor is it a right which relates to any property. Religious and charitable endowments is a provincial transferred subject as such, and, therefore, I think that the point of order does not really arise, and that this Bill is within the jurisdiction of this Assembly. Well, Sir, civil laws and civil rights are Central subjects, and this is a civil right which is proposed to be either modified or changed, and therefore, this House has full jurisdiction in the regulation of civil rights under the section that deals with that as a Central subject to deal with this subject.

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhammadan): Sir, may I be permitted to add only one word? A Bill to remove the disabilities affecting the untouchable classes of the Hindu community was also introduced by you, Sir, in this very House on the 18th February, 1932. There the Chair allowed a Bill of a similar nature to be introduced. Therefore, my submission is, that this Bill also is within the competence of this House.

[At this stage Mr. K. P. Thampan rose to speak.]

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member has no right of reply.

The Honourable Member has raised a very important point of order relating to the jurisdiction of this House. If the Chair understood the Honourable Member's point aright, it is briefly this, that in accordance with the provisions of the Government of India Act and the Devolution Rules made thereunder the subject matter covered by the proposed legislation is a provincial transferred subject, and as such, this Legislative Assembly has no jurisdiction to interfere with any laws relating to that subject.

In deciding the jurisdiction of the Central Legislature, the Chair has primarily to be guided by the provisions of the Government of India Act, and no rule, inconsistent with the provisions of the Government of India Act, can override the provisions of the Act itself. The powers of the



[Mr. President.]

Indian Legislature to make laws are contained in section 65 of the Government of India Act. Section 65 (1) (a) says:

"The Indian Legislature has power to make law for all persons, for all courts, and for all places and things, within British India . . . . .",

Section 65 (1) (f) says:

"..... for repealing or altering any laws which for the time being are in force in any part of British India or apply to persons for whom the Indian Legislature has power to make laws."

According to these provisions of section 65, the Indian Legislature has almost unlimited power to promulgate laws for all persons, for all Courts, and for all places and things within British India and for repealing and altering any laws which for the time being are in force in any part of British India. The only other point that the Chair has to consider is whether this absolute power conferred by section 65 of the Act is in any manner restricted by any other provision of the Act, and the restriction imposed upon the jurisdiction of this Legislature is contained in section 67 of the Act. Under section 67 (2) (i):

"It shall not be lawful, without the previous sanction of the Governor General, to introduce at any meeting of either chamber of the Indian Legislature any measure regulating any provincial subject, or any part of a provincial subject, which has not been declared by rules under this Act to be subject to legislation by the Indian Legislature."

The meaning of this restriction is this. If under any of the rules made under the Government of India Act, it is specifically enumerated that the subject matter is within the jurisdiction of the Indian Legislature, then the Indian Legislature is at perfect liberty to pass any such laws; but if the subject matter of the proposed legislation relates to any provincial subject or any part of a provincial subject it shall not be enacted without the previous sanction of the Governor General. So that the position is this. Even though the subject matter of a proposed legislation in this House may affect any provincial legislation, so long as the sanction of His Excellency the Governor General has been obtained for the introduction of that legislation it will be perfectly within the competence of this Legislature to proceed with that legislation. The proposed Bill of Mr. Ranga Iyer, whether it infringes any provincial subject or not, has clearly obtained the sanction of His Excellency the Governor General for introduction, and as such, the Chair holds that it is within the jurisdiction of this House to consider that Bill.

**Raja Sir Vasudeva Rajah** (Madras: Landholders): Mr. President, I rise to oppose the motion now before the House and in doing so, . . . . .

**An Honourable Member:** It is not moved yet.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair understands that the Honourable Member wants to oppose the granting of leave to introduce the Bill. In such a case, according to the procedure in this House, the Chair will call upon the Mover of the motion and the person who opposes, to make brief statements in support of their contentions. The Chair would now call upon Mr. Ranga Iyer to make any brief statement that he may desire to do.

**Mr. O. S. Ranga Iyer:** In this House, where brevity will be understood at least during this day as the soul of wit, I refer Honourable Members to the Statement of Objects and Reasons of my Bill where the purpose of this Bill has been explained. Sir, I ask for leave.

**Raja Sir Vasudeva Rajah:** Sir, I rise to oppose the motion for leave to introduce the Bill intended to remove the disabilities now existing in entering the Hindu temples by depressed classes and, in doing so, I should like to make a short statement.

I know, Sir, that there is a convention in this House that, as a general rule, a motion for leave to introduce a Bill should not be opposed at this stage and that it is only during the later stages that objections are pressed. But, Sir, this is not a universal law of Ethics or of parliamentary practice, but only a convention indicating the usual procedure in ordinary matters and I stand today in the most unfortunate predicament, that, owing to the extremely extraordinary character of the subject matter of the Bill for the introduction of which leave has been sought (a subject matter which relates to a purely religious problem affecting the faith, the worship and the rituals of Sanatana Dharma Hindus and is, therefore, really beyond the jurisdiction of this House altogether), I am called upon most reluctantly but most unavoidably to perform a painful duty of breaking the convention in question by opposing this motion.

Sir, it was the solemn pledge of Her Majesty Queen Victoria of blessed memory and Their Majesties King Edward VII and King George V that the State would never interfere in matters of religion. It is a too very elementary and axiomatic principle of Rationalistic Ethics on the one hand and of constitutional law of all civilised countries (endorsed by the Nehru Constitution) on the other, that individual and communal safety should be guaranteed to all in matters of religious faith as a fundamental Constitutional Right and that the State would never interfere therein. If this principle is violated in one instance in the case of one community, every other community in this land stand the risk of their religion and their practices being encroached upon and attacked at one time or other. This is a most dangerous experiment calculated to disrupt our community violently and it may even lead to most disastrous consequences. We have seen that even small interferences in their religious practices and faith are resented and rightly too by our Mussalman friends and it has led to serious riots and disturbances in the past between Hindus and Muhammadans. Interferences of such far reaching and revolutionary nature, such as those the Bill contemplates, are bound to create resentment beyond measure among those that are affected, and are likely to divide our community into two irreconcilable parties. At a time when leaders like Mr. Jinnah and others are asking for Hindu-Muslim unity, here is a measure proposed which is sure to bring about disruption, disaffection and disunion in our own ranks. Any one who has the welfare of our country at heart should avoid all measures which are likely to bring about these undesirable results. All the more so at a time when we should all stand united as one to improve our political, economic and social conditions and to work the coming constitutional reforms as best as we can without any rancour and in spirit of goodwill.

[Raja Sir Vasudeva Rajah.]

If sanction for introduction is given, it is bound to create a huge agitation in our country and it is difficult to foresee what untoward consequences will follow.

I am aware that in connection with the Sarda Act whenever the Sanatanists spoke and even now speak of it as a measure affecting their religion, they were and are still being told that the Act related not to a religious but a purely social matter, and now, Sir, we are told that the Bill in question is also a purely social measure and has nothing to do with religion. If even questions relating to our temples and how, where, when and with whom we shall or shall not carry on our worship and rituals there, if even such be declared to be unconnected with religion, we are absolutely unable to imagine what subject is left at all which our self-styled reformers will be prepared to acknowledge as coming within the sphere of religion. Surely, Sir, it is a contradiction in terms and the height of absurdity to speak of the temple entry question as being unconnected with religion. I hope the House will not be carried away either by the influence of Mahatma Gandhi or his Congress followers or by the thundering eloquence of my friend. Mr. C. S. Ranga Iyer, and perpetrate a grave wrong on the Hindu community. Allow me here to quote the speech which the Governor of Bombay made the other day. He said:

"In spite of its grandiloquent claims, the Congress represents only a small fraction of the community as a whole. We have not embarked upon spectacular schemes for throwing open places of worship to all comers"

and so on. As the Governor termed it, this is but a spectacular Bill which is not likely to improve the material or social conditions of the depressed classes in any way. It is merely an attempt to unsettle the settled laws of the land. I strongly oppose the motion before the House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That leave be given to introduce a Bill to remove the disabilities of the so-called depressed classes in regard to entry into Hindu temples."

The motion was adopted.

**Mr. C. S. Ranga Iyer**: Sir, I introduce the Bill.

#### THE CHILD MARRIAGE RESTRAINT (REPEALING) BILL.

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

The motion was adopted.

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

#### THE GIRLS PROTECTION BILL.

**Kunwar Raghubir Singh** (Agra Division: Non-Muhammadian Rural): Sir, I move for leave to introduce a Bill to protect minor girls.

The motion was adopted.

**Kunwar Raghubir Singh**: Sir, I introduce the Bill.

#### THE UNTOUCHABILITY ABOLITION BILL.

**Rao Bahadur M. C. Rajah** (Nominated Non-Official): Sir, I move for leave to introduce a Bill to provide for the abolition of untouchability among the Hindus.

**Raja Bahadur G. Krishnamachariar** (Tanjore cum Trichinopoly: Non-Muhammadian Rural): I oppose this, because it is an interference with the leading tenets of the Hindu religion, which are represented by the caste system. Without the caste system, there is no Hindu religion. (Laughter.) It is no good laughing. Unfortunately it is the Hindus who laugh most. This Bill is driving a wedge into the Hindu community. Therefore, I oppose it.

**Rao Bahadur M. C. Rajah**: I have nothing more to add, but let me refer my revered Leader to the Statement of Objects and Reasons in the Bill. (Laughter.)

The motion was adopted.

**Rao Bahadur M. C. Rajah**: Sir, I introduce the Bill.

#### THE BENGAL STATE-PRISONERS REGULATION (REPEALING) BILL.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadian Rural): Sir, I move for leave to introduce a Bill to repeal the Bengal State-Prisoners Regulation, 1818, which is our old friend.

The motion was adopted.

**Mr. Amar Nath Dutt**: Sir, I introduce the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The next motion\* is barred by No. 7†

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): May I know why it is barred? In the case of Bills, it may be that the Member who introduces the Bill may not proceed with it.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Two motions raising substantially the same issue cannot be moved in the same Session. It comes within the mischief of the rule relating to repetition. If an Honourable Member who introduces a motion is not able to proceed with the subsequent stages, he has got the remedy in his own hands. He can authorise some other Member to move the motion.

#### THE INDIAN CRIMINAL LAW AMENDMENT BILL.

**Mr. N. M. Joshi** (Nominated Non-Official): Sir, I move for leave to introduce a Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898.

The subject-matter of my Bill has the approval of the Royal Commission on Indian Labour. The Government of India are also in communication with the Local Governments on this subject. I would, therefore, request the Member in charge of the Department, in view of the fact that my Bill will not have a chance of being circulated through the regular channel of the procedure of this Assembly, to circulate the Bill departmentally, so that the public may be able to consider the subject-matter of my Bill. Sir, I move.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): I would only say that I shall be very glad to comply with the Honourable Member's request to forward his Bill to Local Governments in continuation of the correspondence we have had with them on the subject.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That leave be given to introduce a Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898."

The motion was adopted.

**Mr. N. M. Joshi:** Sir, I introduce the Bill.

\*"Mr. Lalchand Navalrai to move for leave to introduce a Bill to remove the disabilities of the so-called depressed classes in regard to entry into Hindu temples."

† The Hindu Temple Entry Disabilities Removal Bill introduced by Mr. C. S. Ranga Iyer (*vide* page 2525 *ante*).

#### THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL.

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa: Muhammadan Rural): Sir, I move for leave to introduce a Bill to amend the Child Marriage Restraint Act, 1929.

**An Honourable Member:** Is this not barred?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Though the subject matter of this Bill relates substantially to another Bill which has been moved in this House, I understand that this motion has not been made during this Session. Therefore, the motion is in order.

The motion was adopted.

**Mr. M. Maswood Ahmad:** Sir, I introduce the Bill.

#### THE MUSSALMAN WAKF VALIDATING (AMENDMENT) BILL.

**Sir Abdulla--al-Māmūn Suhrawardy** (Burdwan and Presidency Divisions: Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill further to amend the Mussalman Wakf Validating Act, 1913.

The motion was adopted.

**Sir Abdulla--al-Māmūn Suhrawardy:** Sir, I introduce the Bill.

#### THE HINDU WIDOWS' RIGHT OF MAINTENANCE BILL.

**Diwan Bahadur Harbilas Sarda** (Ajmer-Merwara: General): Sir, I rise to move for leave to introduce a Bill to fix the amount of maintenance to which Hindu widows are entitled. The Statement of Objects and Reasons sets out the aim of the Bill and I do not want to say anything further at this stage.

The motion was adopted.

**Diwan Bahadur Harbilas Sarda:** Sir, I introduce the Bill.

#### THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

**Rao Bahadur M. C. Rajah** (Nominated Non-Official): Sir, I beg to move for leave to introduce a Bill further to amend the Code of Criminal Procedure, 1898.

The motion was adopted.

**Rao Bahadur M. C. Rajah:** Sir, I introduce the Bill.

## THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

**Mr. N. M. Joshi** (Nominated Non-Official): Sir, I move for leave to introduce a Bill further to amend the Code of Civil Procedure, 1908. This Bill also follows the recommendations of the Royal Commission on Labour and the subject-matter has also been circulated by the Government of India to provincial Governments. I requested the Honourable Member in charge of the Department of Industries and Labour to circulate my Bill also and he has promised, I am glad to say, to circulate my Bill along with the subject-matter circulated by them to the provinces. Sir, I move.

The motion was adopted.

**Mr. N. M. Joshi:** Sir, I introduce the Bill.

## THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL.

**Mr. B. N. Misra** (Orissa Division: Non-Muhammadan): Sir, I rise to move for leave to introduce a Bill to amend the Child Marriage Restraint Act, 1929.

The motion was adopted.

**Mr. B. N. Misra:** Sir, I introduce the Bill.

## THE HINDU WIDOWS MAINTENANCE BILL.

**Pandit Ram Krishna Jha** (Darbhanga cum Saran: Non-Muhammadan): Sir, I rise to move for leave to introduce a Bill to provide for fixing the amount of maintenance to be awarded to the widows entitled to maintenance under the Hindu Law.

The motion was adopted.

**Pandit Ram Krishna Jha:** Sir, I introduce the Bill.

## THE AJMER-MERWARA JUVENILES SMOKING BILL.

**Diwan Bahadur Harbilas Sarda** (Ajmer-Merwara: General): Sir, I rise to move for leave to introduce a Bill to prevent juveniles in Ajmer-Merwara from smoking tobacco. Sir, this Bill is limited to Ajmer-Merwara. It is not for the whole of India, and as this is the Legislature for my province, I want to move this Bill.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Sir, I wish to oppose this motion.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Title of the Bill is not as the Honourable Member read it?

**Diwan Bahadur Harbilas Sarda:** The Bill itself says so, Sir.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Bill is to prevent juveniles from smoking. But the object of the Honourable Member is to prevent juvenile-smoking only in Ajmer-Merwara.

**Diwan Bahadur Harbilas Sarda:** Very well, Sir. I rise to move for leave to introduce a Bill to prevent Juveniles from smoking Tobacco.

**Mr. B. Das:** I oppose the motion. I consider, Sir, that this Bill is an encroachment on the liberties of the youth by the old people.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That leave be given to introduce a Bill to prevent Juveniles from smoking Tobacco."

The motion was adopted.

**Diwan Bahadur Harbilas Sarda:** Sir, I introduce the Bill.

## THE NUDITY EXEMPTION BILL.

**Mr. B. N. Misra** (Orissa Division: Non-Muhammadan): Sir, I rise to move for leave to introduce a Bill further to amend the Indian Penal Code and the Indian Police Act, 1861.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): Sir, I oppose the introduction of the Bill. I only want the House to realize simply this, that in section clause it is sought to provide as follows:

"Provided that nothing contained in this section shall apply to the case of any saint or religious ascetic who remains or goes about naked in obedience to the rules and practice of his order."

I want the House to realize how far the Hindu religion is sought to be entangled in such absurd proposals! (Hear, hear.)

**Mr. B. N. Misra:** Sir, there are things in the Hindu religion which my friend does not know of. (Laughter.) Nudity taken in the right sense and nude pictures taken in the right sense in Hindu temples have got their own value. People are allowed to have nude pictures and that is allowed by religion. Of course you will have to prove that when he does keep these nude pictures or observes nudity, he does so without the dictate of any religion or religious feeling in him, and then of course, if that is so, he may be punished, but if a man has done that out of religious feeling, then he should be allowed to do so. That is my plea. Sir, I move.

The motion was adopted.

**Mr. B. N. Misra:** Sir, I introduce the Bill.

THE REMOVAL OF DOUBTS ABOUT THE APPLICATION OF  
THE DOCTRINE OF REPRESENTATION, IN CASE OF SUC-  
CESSION TO STRIDHAN UNDER THE DAYABHAG BILL.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural):  
Sir, I beg to move for leave to introduce a Bill to remove doubts about the  
application of the doctrine of representation in case of succession to  
Stridhan under the Dayabhag.

The motion was adopted.

**Mr. Amar Nath Dutt:** Sir, I introduce the Bill.

THE INDIAN BAR COUNCILS (AMENDMENT) BILL.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural):  
Sir, I beg to move for leave to introduce a Bill further to amend the Indian  
Bar Councils Act, 1926.

The motion was adopted.

**Mr. Amar Nath Dutt:** Sir, I introduce the Bill.

THE INDIAN PENAL CODE (AMENDMENT) BILL.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Division: Non-Muham-  
madan Rural): Sir, I beg to move for leave to introduce a Bill to amend  
certain provisions of the Indian Penal Code relating to offences under  
Chapters VI and VIII of the said Code.

The motion was adopted.

**Mr. C. S. Ranga Iyer:** Sir, I introduce the Bill.

THE IMPERIAL BANK OF INDIA (AMENDMENT) BILL.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan  
Rural): Sir, I beg to move for leave to introduce a Bill further to amend  
the Imperial Bank of India Act, 1920.

The motion was adopted.

**Mr. S. C. Mitra:** Sir, I introduce the Bill.

THE ABOLITION OF CAPITAL PUNISHMENT BILL.

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muham-  
madan): Sir, I beg to move for leave to introduce a Bill to abolish the  
punishment of death for offences under the Indian Penal Code.

The motion was adopted.

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

( 2538 )

THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

**Pandit Ram Krishna Jha** (Darbhanga cum Saran: Non-Muhammadan):  
Sir, I beg to move for leave to introduce a Bill further to amend the Code  
of Civil Procedure, 1908, for certain purposes.

The motion was adopted.

**Pandit Ram Krishna Jha:** Sir, I introduce the Bill.

THE HINDU TEMPLE ENTRY DISABILITIES REMOVAL BILL.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muham-  
madan Rural): Sir, I beg to move:

"That the Bill to remove the disabilities of the so-called depressed classes in regard to  
entry into Hindu temples be circulated for the purpose of eliciting opinion thereon by the  
30th July, 1933".

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Does  
this motion relate to a Bill in respect of which leave was given to the  
Honourable Member to move today?

**Mr. C. S. Ranga Iyer:** Yes, Sir.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The  
attention of Honourable Members must be drawn to the fact that the  
motion is a serious departure from the well established convention of this  
House. It has been established by convention and the convention has  
been repeatedly brought to the notice of the House by the Chair in the  
past that on the day, on which leave is sought to introduce a Bill, no  
other motion should be made. The Chair is no doubt aware that on this  
particular occasion the motion of the Honourable Member (Mr. Ranga  
Iyer), when he sought the leave of the House to make it, was opposed  
which was also contrary to the convention. In any case, the Chair will  
strongly deprecate the attempt on the part of Honourable Members to  
depart from the convention in either of these respects.

**Mr. C. S. Ranga Iyer:** Sir, in accordance with the convention which  
you stated just now, I do not want to depart very much from the spirit  
of the previous practice and, therefore, propose to confine my remarks to  
the Bill in as brief a form and manner as possible. Sir, it is unnecessary  
on this occasion to make a very lengthy speech. The foundation for the  
movement which this Bill refers to has been, thanks to the imagination  
of an usually unimaginative Government, laid in the Yerawada jail. I am  
grateful to the Government for enabling the foundation of a movement  
for the extirpation of the superstitions of this land in the Yerawada prison.  
That movement has been going from place to place; it has been moving  
from hamlet to hamlet and from village to village until the whole country  
has been caught up in one great conflagration to purify the Hindu com-  
munity and to unify the Hindu community. I have no other object but  
to unify and purify this community.

( 2539 )

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[Mr. C. S. Ranga Iyer.]

My friend, the Raja Saheb of Kollengode talked of my thundering eloquence. At that time, Sir, we were hearing thunders outside. The Heavens had liberated the thunders in this thunderous weather for the annihilation of the superstitions of this land practised wrongly in the name of religion, because, true Hinduism has no place for them. I beg of my Muslim friends to support this motion, because elimination of untouchability is a part of Islam, the great religion preached by the Prophet of Arabia. I ask my Christian friends in this House to support this motion, because the living faith of the Jesus of Nazareth was to abolish untouchability.

**Mr. C. C. Biswas** (Calcutta: Non Muhammadan Urban): I understood my Honourable friend to say that he was not going to depart from the convention to which the Chair called his attention.

**Mr. C. S. Ranga Iyer**: The Chair called my attention to a convention. I am explaining now why I want the circulation of this Bill. I am not, while making a speech for the circulation of the Bill, taking as much time of the House as the Honourable the Raja Saheb of Kollengode was allowed to take when he violated the convention. (Interruption.) Sir, my friend, Pandit Ram Krishna Jha, says that it is a departure from convention. One departure from convention obviously leads on another departure. But I was saying that the Hindu religion has preached and practised . . . . .

**Raja Bahadur G. Krishnamachariar** (Tanjore cum Trichinopoly: Non-Muhammadan Rural): I rise on a point of order, Sir, and I want your ruling. I am not going to dwell upon what is meant by what. The Honourable the President just now said that he deprecated Honourable Members traversing beyond the convention for whatsoever purpose it may be. I want your ruling whether it is or it is not a departure from the convention, because I understand the convention to mean that you must not speak anything for any purpose whatsoever.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Does the Honourable Member want to speak on the point of order?

**Mr. C. S. Ranga Iyer**: No, Sir.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair understands the Honourable Raja Bahadur Krishnamachariar to have raised the point of order whether in view of the Chair's calling attention of the House to the convention, the Honourable Mr. Ranga Iyer is entitled to make the motion that he is making just now. On that point the Chair would draw the attention of Honourable Members to Standing Order 38 which runs thus:

"When a Bill is introduced, or on some subsequent occasion, the member in charge may make one of the following motions in regard to his Bill, namely:

\* \* \* \* \*

(c) that it be circulated for the purpose of eliciting opinion thereon:

Provided that no such motion shall be made until after copies of the Bill have been made available for the use of members, and that any member may object to any such motion being made unless copies of the Bill have been so made available for three days before the day on which the motion is made, and such objection shall prevail, unless the President, in the exercise of his power to suspend this standing order, allows the motion to be made."

Under this Standing Order, the Honourable Member has been conferred the positive right of making this motion if he chooses to do so on the same day on which the Bill was introduced. If any Honourable Member raised a point of order that copies of the Bill were not made available to Members of the House three days in advance of the day on which such motion is made, then it would be for the Chair to decide whether the Standing Order would be suspended and the Honourable Member would be allowed to make a motion. The Chair understands that the Honourable Member Raja Bahadur Krishnamachariar does not raise any objection on that score.

**Raja Bahadur G. Krishnamachariar**: Not yet.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Copies of the Bill, the Chair understands, have been made available to Honourable Members three days before the motion.

**Raja Bahadur G. Krishnamachariar**: Sir, may I make a submission? That rule refers to a stage after introduction, and not before.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Since copies of the Bill have been made available to Honourable Members in time, according to Standing Order 38, the Chair has no right to prevent the Honourable Member, if he chooses to do so, from making such motion, because a positive right conferred by the Standing Order cannot be negated by the force of a convention.

**Mr. C. S. Ranga Iyer**: Sir, if the purpose of my Honourable friend, the Raja Bahadur, is that I should be brief, I propose to be brief. I must respect an old man like him. I ask Government to circulate this Bill and I will ask my Honourable friend, the Raja Bahadur, to keep his powder dry.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That the Bill to remove the disabilities of the so-called depressed classes in regard to entry into Hindu temples be circulated for the purpose of eliciting opinion thereon by the 30th July, 1933."

**Raja Bahadur G. Krishnamachariar**: Sir, I have strong objections against this Bill. I think, before I proceed further, you will allow me to cite a passage from a book which is quite *apropos* of the present condition and of the present attempts made on all sides in order to interfere with the even course of legislation.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) vacated the Chair, which was occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury) amid loud applause.]

Sir, it has been said by this author Ludovici, who, I believe, is a well-known author:

"When things go wrong with the social structure of a nation through the general decline in the ability and stamina of its manhood, two distinct tendencies seem always to become noticeable. The one is to interpret changes which are merely the breakdown and decay of old and healthy institutions as signs of progress. In our era this is called evolution; and the other owing to the justifiable loss of confidence in the governing classes is for everyone, qualified or unqualified, to regard himself as entitled to make an attempt to put matters right."



[Raja Bahadur G. Krishnamachariar.]

Member, said that the permission given to him to interfere in matters of this sort could not be given to any others. This may be, because he would otherwise interfere in politics. It is, therefore, just as well to leave him to have his own way in this untouchability sphere; he is not going to succeed, and so far as the Government are concerned, the bother would be over and there would be no longer any trouble by him. Well, that may be the reason or may not be the reason, but we will continue to put that question until a satisfactory reply is given—and no question is settled until it is settled aright—as to why this gentleman from inside the jail should be allowed to interfere in a matter which, Government admit, is interference with religion. Why should he be allowed to drive a wedge into the Hindu community upon the pretence—I say it advisedly—of uplifting the depressed classes? Sir, does the question of the uplift of the depressed classes solve itself by allowing those gentlemen to go into the temples? As I said, Dr. Ambedkar is perfectly plain on that question—the question of temple entry may or may not come, but that is not the question which troubles the Depressed Classes—the real question is what my friend, Rao Bahadur Rajah, for whom I have a great regard, because he is Secretary of my Party. He stated, “When a good thing is coming, why not take it, whether the classes want it or not?” That is a perfectly reasonable point of view. I will do exactly the same thing. If somebody offers me, on my way home from the Assembly, Rs. 10,000, I will certainly accept it and take it in my car. Rao Bahadur Rajah says, when there is a good thing worth having, why should he not try to demand it and take it? I quite understand that, but I say that the uplift of the Depressed Classes in no way depends upon it and here again Mr. Ambedkar is my witness.

Now, Sir, in the Statement of Objects and Reasons which my friend, Mr. Ranga Iyer, has framed—he did not spend much of his eloquence over this and, if he did, I could not follow him—he says:

“The custom of segregation of certain Hindu classes as outcasts and untouchable and the social and other disabilities they suffer under in consequence of such custom, have been the subject matter of universal condemnation”.

In the first instance, this is not a custom. This is an injunction based upon religion. I do not propose to go into that at this stage. I want to indicate when opinions are collected, to persons whose opinions may be asked, so that their minds may be directed to these points and not a mere general question as to whether you like the temple entry or not. It is not a custom which calls these people untouchable, but it is a provision in the holy books which we regard as holy—there may be some gentlemen who may not regard them so—for over 5,000 years. Then he says:

“There has been continuous agitation on the part of the leaders of these Depressed Classes, as they have been commonly called, as well as on the part of reformers, among the main body of Hindus, to put an end to this custom of untouchability and to the disabilities arising therefrom”.

I admit that so far as the question of the removal of their disabilities depended upon economic conditions and those are the only conditions upon which their present unfortunate position rests—everybody is at one with this view. Mr. Gandhi asked the question: “What did the caste Hindus do for these Depressed Classes?” It is very easy to ask him a question: “What did he do? What did his huge following do? What did he do

out of the Tilak Fund of 70 lakhs of rupees that was at his disposal, so far as the special uplift of the Depressed Classes is concerned?” Now, as a very humble member of my community, I may tell him that the better class of landholders in my district have been providing the Depressed Classes with social amenities within the bounds of their own resources. We are not ourselves overflowing with resources down south in our land, but there is one thing which is perfectly clear and that is that we cannot get on without the Depressed Classes and these Depressed Classes cannot get on without us, and what is the proof of that? Fifteen years ago, the Madras Government, egged on by agitators like those friends who now want to have this temple entry, started a Labour Department. If you start a Labour Department, you want to give them some work. The first work they started doing was to tell these Depressed Classes that they will acquire houses for their living, for the Depressed Classes have no houses of their own and the house sites in the villages are not their own; these belong to the land-owning classes, that is the *mirasdars*, and there they build houses for them as long as they serve, and when they become old they are allowed to live there and die. Now, Sir, this Labour Department said: “We are going to acquire these sites for you” and they did it. Of course the Depressed Classes paid all the amount that has been spent up to that time, and not the Government, about 50 or 60 lakhs of rupees, but the Government would not spend it. It is the Depressed Classes that were made to spend. They had to deposit 50 per cent. and then the whole machinery of the Land Acquisition Act would have been set in motion and when the house sites would be acquired sometime later, they would have to pay the balance. They did this, not knowing whether it is going eventually to succeed or not, but one thing it has succeeded in, and that is, it has antagonised the master under whom the Depressed Classes have got to serve. The result was that special facilities were withdrawn from them by their master. Then they withdrew though Government told them that they would forfeit the deposit that they have already made. They said all right and joined us, and, Sir, why did they do it, because men like myself gave them back their deposits in spite of the fact that Government took the money without any justification whatsoever. I do not want to make a catalogue or make a boast of what we did and the list of other things that we have been doing. If you look into our accounts, you will find that year after year several pages of ledger showing monies lend to these Depressed Classes which till doomsday could not be recovered. Where is the poor fellow going to return the money from? We have paid the money and there it is.

**Mr. C. S. Ranga Iyer:** Money lending Bill.

**Raja Bahadur G. Krishnamachariar:** If you go into the villages, you will find it for yourself. Sir, he has no land. He has got to go inland and see for himself how they till the land and how they toil and moil for a day's meal. If you merely cool your heels going between Delhi and Simla, you cannot know anything. Then it proceed:

“Public agitation is specially focussed on the exclusion of these classes from entry into the ordinary Hindu temples along with caste Hindus”.

Now, Sir, that is a misstatement. I want you to go ten miles further into the interior of any town in Southern India and you cannot find half a dozen persons, members of the Depressed Classes, who will say: “We

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want to enter into the temple." On the contrary, they will fight shy of these temples and they do not want to enter these temples. I say that the entry by these gentlemen into the temples would desecrate these temples. There is a little question that I should like somebody, who supports this Bill so enthusiastically, who shouted and struck on their tables until one's voice was drowned, to answer this very simple question. In the temples there are idols which we worship. Mr. Gandhi, while he believes in idol worship, does not believe in idols: this statement is in the same book I referred to. What that means I do not know: I am not a master of the English language: he says: "I believe in idol worship, but I do not believe in idols". I do not know how, but if you do not believe in idols, where does idol worship come in? However, that is a matter in the mysterious knowledge of Mahatmas, among whom I do not class myself. The question that I wanted to address my friends on the other side is this: in the temples we have got stone images; we have got brass images; some of them look very nice; some of them are so old and worn out that, were it not for the fear that the sanctity would disappear, they would all have been removed by this time. Now, if you go into a museum, whether in Calcutta or Madras or Bombay, I do not care where you go, you have got the most beautiful sculptured stone images and the best cast brass and bell metal images. I ask my friends, why do not the Depressed Classes go there? You only want to worship, and these images are not mere nude images of the kind that my friend, Mr. Misra, wanted to allow: they are the images of gods and goddesses. Why do you not go into the museums and worship those images? No. The Brahmins never built a temple: the Brahmins had never the resources to build a temple. It is the king who built the temple: it is the king who got out all these images; it is the king who brought them and put them in these places. Having done that, though it is still in the temple, it is still not an image which is entitled to be worshipped. Then, unfortunately, he had to call in this brothel keeper, the Brahmin—not Mr. Jadhav—but he had to call in this brothel keeper, and what does this brothel keeper do? He turns his book and he sees a whole chapter in which he finds that if you perform a *homa*, if you perform a prayer, if you mumble these verses from the Vedas, Godhead will appear in that stone. Then he begins; he collects a lot of people; he performs sacrifices, this *homa*, and he recites these *mantrams* and he goes on for eight or ten or fifteen days or three weeks; and then, at the end of it, he says "Godhead has come". Godhead is present in the idol. Everybody begins to worship. Sir, are you sure that the Brahmin has not deceived the whole lot? They did not at least believe it in the olden days: they said: "Yes, if the Brahmin says that Godhead has come after all these ceremonies, Godhead is there". Why? Because the book says it. I do not say it. The Book says it. And then the same book says that Godhead has come after the consecration and after the performance of the ceremonies. You turn to the next page it lays down that if an untouchable enters the temple, Godhead disappears. Well, you believe the first portion of the book which says that Godhead has come, and you disbelieve that portion which says that Godhead has disappeared. May I know what that reason is? Both things are in the book. If you can, without the help of those books, bring Godhead into existence, then disavow the book: I can understand that . . .

An Honourable Member: What is that book, may I know?

Raja Bahadur G. Krishnamachariar: The books are the *Agamas*, the *Saiva Agamas* and the *Vaishnava Agamas*, according to which a temple has got to be built with a certain configuration, with certain *gopurams*, with certain gateways facing the east, west, north and south, and the whole lot of it is prescribed there in the minutest detail; and after the consecration certain communities are not allowed to enter, certain communities are entitled to go in; and would you believe it, Sir, that I and other Brahmins in certain stages of pollution will not be allowed to enter the temples until the pollution ceases? That is the position with regard to temples. They have got to be built according to the conditions laid down in these *Agamas*; and the rules and regulations of *puja* and the rules and regulations about the spot up to which Hindus can go are all laid down in that book. Unless you conform to that book, it is not a temple; and it is no new principle. I believe it will be admitted on all hands that where an institution is brought into existence by the force of a statute, unless the conditions laid down in that statute are fulfilled, that institution ceases to be what it professes to be and for what it was brought into existence. I will only cite one instance: that in the Allahabad High Court—I believe in I. L. R. 12 Allahabad—there is a case of *Queen Empress v. Ganga Ram*: a man was accused of murder and the case was sent up for a referred trial: there was absolutely no ground; but Mr. Charles Alston, now Sir Charles Alston, raised a point that one of the Judges of the High Court had not been properly appointed—Mr. Justice Burkett; and the Full Bench heard the case for four days and they came to the conclusion that the appointment was not properly made and that, therefore, there has not been a properly constituted bench and, therefore, the appeal could not be heard. I cited that for this reason that if a body had been brought into existence by virtue of a statute, the provisions of that statute have got to be fulfilled to the very letter, otherwise, it may be any institution you like, it is certainly not the institution that you profess it to be. Of course the Judges of the High Court tried to get over this difficulty; but when they found that the men who had been hanged under the orders of Mr. Justice Burkett could not be brought back to life, they said—there must be some rule or another of which they were not aware which justified the Government of India in appointing this gentleman. However, that is the position with regard to temples. Further, the statement of Objects and Reasons says that a Hindu temple is a public place of worship to which all have access. That is not so. For instance, among the Muhammadans I believe all castes can go provided you conform to certain rules: for instance, you remove your shoes and you wash your legs and hands and then you go there and can even stand along with the congregation, but even this is not universal. Among the Hindus, there is no congregational worship. I believe among the Muhammadans and Christians there is what is called congregational worship. Among the Hindus worship is individual; each man goes into the *sanctum sanctorum*: he worships and comes back and, in this matter, there is a great deal of difference between various provinces of India. In Bengal, for instance, I believe there is very little distinction between the ordinary and the Depressed Classes; and provided a man is decent and does not provoke any suspicion he goes inside. Another thing, I believe, which obtains both in upper India as well as up to the Deccan is that those who go to worship in

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the temple touch the image of the god and his feet and then they worship: we dare not do that in Southern India. In Southern India there is the *sanctum sanctorum*, and there is a doorway inside that doorway: no one can go, not even the most holy ascetic or the greatest of Matadhipatis who have a lakh or two lakhs of disciples. If they want to take the *prasad*, they have got to remain at the doorway, and the *archaka* or the man who does the *poojas* inside the *sanctum sanctorum* brings the holy water and gives it to the ascetic. If the ascetic does not want to take it, he is not at all compelled to come into the temple. That, Sir, is the position with regard to the temples, so that, what applies to Southern India, does not apply to the Deccan, what applies to the Deccan does not apply to the U. P., and, certainly, what applies to the U. P. does not apply to Bengal. Therefore, there is no use in confounding the one province with the other and saying "Oh, we are doing it here, why shall we not do it there". I may relate a small incident that happened some years ago. One of the ladies of the Nepalese Royal family came to Srirangam and there was almost bloodshed within the precincts of the temple, because this lady, without understanding the rule, wanted to touch the feet of the idol and the priests did not allow it.

There is another matter on which stress is laid, and it is this. It is stated that they do not want to interfere with religion, it is a permissive Bill. I know how these permissive Bills have got a vicious habit of transforming themselves into compulsory Bills. But what is stated by our friends is that they merely intend to remove an impediment created by the law administered by the British Indian Courts. Whoever put that sentence to paper, unfortunately failed to read, or having read forgot, or having forgotten, relied upon the laziness of other members and made this statement, because if you refer to these cases, what do they rely upon? They rely upon the fact that the temple entry could not be allowed, because it is against religion. So that, Sir, it is arguing in a circle. These gentlemen say that they merely want to remove the impediments created by the British Indian Courts, but you come back to the same thing. Either it is prohibited by religion or it is not. If it is not prohibited by religion, then come out in the open and say so. Do not deceive people by saying you do not want to interfere with religion, only the law that has been passed by the British Indian Courts which has made the Depressed Class people to enter the places of worship requires to be changed. That is the position taken up by our friends here, as if the temples belong to the trustees or their ancestors. The temples do not belong to the trustees, and if you will look into the Religious Endowments Act, the old Act of 1863, or the one which they recently enacted in the Madras Presidency, you will find that the trustees have been authorised to be appointed for the purpose of protecting the properties. There is a distinct provision in the Madras Act,—there was a distinct provision in the rules framed under the old Act of 1863,—that neither the trustees nor the members of the committee who used to sit over them and who had jurisdiction over the whole of a district cannot interfere with the rites or the course of the *poojas* in the temples. Certain gentlemen who call themselves reformers wanted to show their right and tried to interfere with the inner direction of the course of the *poojas* in a temple. The result was, suits were filed and they went up to the Madras High Court, and these gentlemen burnt

their fingers. After that, they found that being a trustee does not entitle them to play ducks and drakes with the temple so far as the internal arrangements of the *poojas* are concerned. They are certainly entitled to look after the property, and that is all they are entitled to. Therefore, the private inclination of a man who has been appointed under the statute as a trustee, whose powers are circumscribed and described in full detail, cannot, by any act of his own volition, go beyond the four corners of the Act, and say that, since he is in possession of the temple, he will allow Depressed Class people to enter the temples. He cannot do it. The Statement of Objects and Reasons says as if he has got the right to do it, but nothing of the sort.

Another most important thing is, it is a somewhat tragic thing too, there is a provision made in the Bill for local option. Sir, I have understood in the olden days when I had to do something both with the framing as well as the study of the Municipal Act, that if you want to open a toddy shop, there is such a thing as a provision for local option. I did not think that in any God's sanctified place the question of local option would be brought in. Whose is the local option? Who are the members residing there? All communities, Hindus, Christians and Muhammadans, and every one of them will say: "Oh, I want to go into that temple", and you say "what a very bad thing it is, you have been very much tyrannised, and so you can go into the temple now". Result, an institution which had been in existence for time immemorial is going to be desecrated by introducing local option just as the municipality wants to open a toddy shop in a certain place, and some people saying: "Oh, not here please, but you can open it in another locality", and thus the whole thing is decided. Have you ever heard of an absurdity like this? Temple entry, religious worship and local option—put these things in juxtaposition, and you will see the absurdity of the whole thing.

Lastly, the point is that all this agitation is not with the idea of going into the temples, worship there and thus get God's mercy. Otherwise, as Kabir said: "They all say that you are in a temple; if you are only inside a temple, who is there outside the temple",—this is what Kabir asked. It is not a question of their wanting to worship. It is purely a political stunt, and I say it without any fear of contradiction. You remember, Sir, the fast that Gandhiji undertook, because he found that, if the Depressed Classes went out of the Hindu community, they would become a very small minority. He fasted, whether for good or evil, he was able for the time being to bring the depressed and the Hindus together, but unfortunately as fates would have it, the very next moment he spoiled the full effect of his fast by driving a wedge through the Hindu community by introducing this Temple Entry Bill. Now, as far as human memory can go, these gentlemen never entered a temple. What was the urgency for this Bill? Why could you not wait for another six months? We could certainly have waited until the new reforms came when there would be 375 Members here.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

Those new Members may be less educated or they may be more educated than our present Members, and then you can always work upon their sentiments, get into the temples, desecrate them and try to become

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one with the result that you justify the prophecy of our *rishis* that as the Kali Yuga goes on, everyone will become one without any distinction whatsoever. So why don't you wait till the new reforms come in? What is the hurry for this Bill? Mr. Gandhi wants this measure, and what is worse is, his henchmen come here and go about—unfortunately they have got the control of the Press,—and launch their attack against the unfortunate man who has got to oppose it. What do they say? Ever since I had the honour of being elected to the Assembly, I have been trying to get through two or three Bills of mine to be brought to the stage of discussion, but so far I have not succeeded. I got a chance last time, therefore, I got up and pressed my point. I was supposed to have obstructed the introduction of this Bill. I was called an obscurantist. I have looked into the new Oxford English Dictionary, and there are three lines given to the meaning of that word. Every one of the meanings has been ascribed to me and the dictionary has been exhausted. But it does not affect me in the least. Although, so far as I am concerned, I am not going to yield the chance that I got in order to push forward the Bill that I was very anxious about, my Honourable friend will bear me out that so far as his real motion is concerned, namely, that the Bill be circulated for eliciting opinion thereon, I had no intention to oppose it. I have been protesting against it, and the orthodox community, the mass of the Hindu population are quite orthodox in their heart of hearts and, therefore, if the opinion is taken, my side will get a very large majority of opinion against this temple entry and so I am not afraid of it. But that does not mean that I should lose the chance of pushing through my Bill. And, Sir, my greatest sin is that I wanted to do that, taking advantage not of what I tried to do, but of what the ballot gave me—taking advantage of that chance before these gentlemen came on the scene. That being the position, I respectfully submit that in sending out this Bill for opinion, certain principles enunciated by Mr. (afterwards Sir James) Crerar, who was Secretary to the Government of Bombay in 1921, in asking for the opinion of the public at large should be borne in mind. Fortunately for us, His Excellency the Viceroy has said that he would himself address the Local Governments that every possible avenue should be explored in order to make the opinion as wide spread as possible. In connection with a Bill introduced by my Honourable friend, Sir Hari Singh Gour, in 1921, this is what the Government of Bombay say:

“The most important consideration, therefore, is whether the principle of the Bill has secured the support, or is likely to secure the support of a sufficiently large majority of the Indian public. That it has secured such support cannot at present be admitted, as there has been no referendum to the people on the issue. Whether it is likely to secure such support can only be decided when there has been sufficient opportunity for the expression of opinion. I am to observe that the opinion actually obtained by the Government of Bombay are fairly evenly divided, but I am also to observe (and this is the point) that these opinions have been sought for in quarters likely *a priori* to be most favourable to the Bill, *viz.*, among some of the most enlightened and advanced elements of the community and amongst those who are most likely to be influenced by considerations of legislative theory rather than by sentiment or religious conviction. There can be little doubt that effective support of the Bill will come from a very limited section of the community. For their enlightenment and desire for progress Government must have every consideration and sympathy. On the other hand, Government must consider closely their own position and that of the general public. It would, in the opinion of the Governor in Council, be a dereliction of duty on their part to support legislation so fundamentally affecting the prejudices and sentiments of a vast majority of the population without the clearest and most convincing proof that not only will such legislation be acceptable but that it is urgently demanded”.

Those are the principles I would respectfully invite the Government to bear in mind when they send for opinions, and if they do that, I have absolutely no fear of the consequences.

There is one thing that I should like to observe, and that is that the date has been fixed for July, 1933. I do not know if I will be in order when I suggest that instead of July, the 31st December, 1933, be substituted. If I am not out of order, I would suggest that that date be substituted. (An Honourable Member: “There is an amendment to that effect.”) I did not know that there was an amendment. It saves me so much time. For these reasons, although I support the motion for circulation, I would respectfully submit that, in calling for the opinions of people, those points may be borne in mind and specifically brought to the notice of persons whose opinions are being sought.

An Honourable Member: The question may now be put.

Mr. S. C. Mitra: I support my Honourable friend, Raja Bahadur Krishnamachariar, when he supports this motion for circulation. The present motion is for circulation in order to elicit the opinion of the public on this Bill. We have heard of the tyranny of the majority, but I think you will protect the House from the tyranny of the minority also. We on this side of the House who always stand for consulting our constituencies, I hope, will not raise any objection to this motion. When we have got the opinion of the country, it will be time for us to consider the pros and cons of this particular Bill. Sir, I support the motion.

Pandit Ram Krishna Jha (Darbhanga cum Saran: Non-Muhammadan): Sir, I move the following amendment:

“That the Bill be circulated amongst the heads of the Religious Institutions, secular heads, trustees or administrators of the village temples in consultation with the Hindu villagers and Collectors of Districts for ascertaining the opinion of lay people likely to be affected by this Bill and not amongst the Arya Samajists, the Brahmos and Hindu Mahasabhaites who have no faith in temple worship”.

Sir, the reasonableness of this amendment is clear. If you do not attach any importance to a thing, what does it matter whether A goes or B goes, or whether A is prevented, or B is prevented? In fact, I have heard something about the Guruvayur referendum. I am told by a gentleman who happened to be there, that the referendum was taken in a peculiar manner. One man signed seventeen persons' names. What did it matter to him whether the referendum was on this side or on that side? Look at the position of the Arya Samajists. They do not believe in temple worship. Since Swami Dayanand promulgated his creed, from that time they have been against temple worship. What does it matter to them if they are consulted? They will say; “There is no harm in signing for the entry”. My submission is that you must consult only those people whose vested rights you are going to take away. If the object is to obtain the opinions of only those persons who are likely to be affected, then the Arya Samajists and the Brahmos, who have no faith whatever in the Hindu temple worship, should not be consulted. Similarly, there may be people living in the municipality or in the neighbourhood who attached no importance to the temple. They may not be Arya Samajists, or Brahmos, but all the same they do not attach any importance to the temple worship. They are not, as we call it, temple-goers, and how will you be benefited if you get the opinion of those persons? The opinion of these people is worth nothing. So, my submission is that the Bill, as it is going for

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circulation, must be circulated only among the persons I have mentioned in my amendment, and that the Arya Samajists, Brahmos and Hindu Mahasabhaistes should not be consulted.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Amendment moved:

"That the Bill be circulated amongst the heads of the Religious Institutions, secular heads, trustees or administrators of the village temples in consultation with the Hindu villagers and Collectors of Districts for ascertaining the opinion of lay people likely to be affected by this Bill and not amongst the Arya Samajists, the Brahmos and Hindu Mahasabhaistes who have no faith in temple worship".

**Mr. N. R. Gunjal** (Bombay Central Division: Non-Muhammadan Rural): (The Honourable Member spoke in the vernacular\*).

**Several Honourable Members:** The question may now be put.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): 5 P. M. Order, order. It is the usual practice of the House to adjourn at about 5 o'clock, but the Chair in the past has expressed its willingness to sit late if really it suited the convenience of the Honourable Members. (*Honourable Members:* "We would like to sit late as this is the last non-official day of the Session.") On the 15th February, 1926, the Chair made the following observations:

"On non-official days, the Chair endeavours, as far as possible, to accommodate the non-official Members and consult their convenience before adjourning. On official days the Chair endeavours to treat the official Benches on the same principle. In the absence of any instructions from either side of the House on any particular day, the Chair uses its own discretion and adjourns the House at such hour as it considers proper having regard to the state of business for that day. Generally speaking, the Chair is always anxious to consult the convenience of the House and shows its readiness to sit even very late hours irrespective of its personal convenience".

The Chair is prepared to follow the same practice that was adopted by its predecessors and, especially in view of the fact that today is the last day for non-official Bills in this Session, the Chair would not mind its own personal inconvenience if it is the desire of the Non-Official Members on this occasion that the House should sit a little late. (*Several Non-Official Members:* "Yes, Sir, we all wish to sit late.") Will Honourable Members who object to sitting late kindly rise in their seats? The Chair would like to point out to the Leader of the House that in this particular case, in accordance with the observations made by its predecessor, the Chair would consult the convenience more of the Non-Official Members.

**The Honourable Sir Brojendra Mitter** (Leader of the House): Sir, I am bound to bring to your notice one fact that there is an important meeting of the Executive Council fixed at six o'clock.

**Mr. C. S. Ranga Iyer:** May I put it to the Honourable the Leader of the House whether in view of our desire not to leave this discussion on the Bill in an unfinished condition he will be willing to allot half a day on an official day or a full non-official day so that we may finish this subject? I quite agree that the programme of the Executive Council is important, but I beg of him in view of public opinion outside to complete the discussion on this motion.

\* A translation of the speech will appear in a later issue of these debates.

**The Honourable Sir Brojendra Mitter:** In view of the unfinished official business, it is absolutely impossible to allot another day.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If it is the desire of the Non-Official Members that they should sit late and if we decide to sit till quarter to six, would that suit the convenience of Government? The Chair quite realises that Government Members have got an Executive Council meeting and they should certainly be given a chance. Would it suit the convenience of Honourable Members if we decide to sit till 5-45?

**The Honourable Sir Brojendra Mitter:** I have no objection to that.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Will those Non-Official Members who object to sitting late kindly rise in their seats?

(20 Members rose in their seats.)

Those who want to sit late will kindly rise in their seats.

(21 Members rose in their seats.)

Order, order. The Chair made it perfectly clear that it will see to the convenience of Non-Official Members on this occasion. And if it is really the desire of a majority of Non-Official Members that this Bill or at least this motion must be finished today, there must be a predominant opinion to that effect. But, taking a count, the Chair finds that 20 Members are opposed to sitting late and about 21 Members are for sitting late. In those circumstances, the Chair does not think that it can take upon itself the responsibility of forcing a discussion on this House.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 25th March, 1933.

## LEGISLATIVE ASSEMBLY.

*Saturday, 25th March, 1933.*

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The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

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### MEMBER SWORN:

Mr. A. Raisman, M.L.A. (Government of India: Nominated Official).

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### 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 24th March, 1933, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at its meetings held on the 20th and 21st March, 1933, namely:

A Bill to amend the Cotton Textile Industry (Protection) Act, 1930, and

A Bill to extend the operation of the Wheat (Import Duty) Act, 1931."

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### STATEMENTS LAID ON THE TABLE.

**Mr. G. R. F. Tottenham** (Army Secretary): Sir, I lay on the table the information promised in reply to supplementary question to starred question No. 513, asked by Mr. Gaya Prasad Singh on the 25th February, 1933.

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### THEFT COMMITTED IN FORT WILLIAM, CALCUTTA.

\*513. The Court of Enquiry was of opinion that the loss was due to a theft by certain persons who forced an entry into the garage through a grille opening on to the compound of a disused magazine. The loss was reported to the police authorities who have not yet made any arrests.

2. Since the theft occurred, steps have been taken to strengthen all the outer windows and grilles on the perimeter of Fort William.



**Mr. P. R. Rau** (Financial Commissioner, Railways): Sir, I lay on the table:

- (i) the information promised in reply to starred question No. 154 asked by Sardar Sant Singh on the 8th September, 1932; and
- (ii) the information promised in reply to starred question No. 376, asked by Seth Haji Abdoola Haroon on the 20th February, 1933.

#### DISMISSAL OR DISCHARGE OF PERSONS FROM STATE RAILWAYS.

\*154.

*Statement showing the total number of subordinate inferior and workshop employees communitywise retrenched on the State managed Railways up to 15th September, 1932, due to the economy campaign.*

| Railway.                | European. | Anglo-Indian. | Indians. | Total.   | Remarks.                                                  |
|-------------------------|-----------|---------------|----------|----------|-----------------------------------------------------------|
| Eastern Bengal . .      | ..        | 24(a)         | 1,439    | 1,463    | (a) Includes Europeans.                                   |
| East Indian . . .       | 112       | 189           | 12,319   | 12,620   |                                                           |
| Great Indian Peninsula. | 45        | 133           | 5,475    | 5,653(b) | (b) Excludes re-trenched staff who have been re-employed. |
| North Western . .       | 2         | 22            | 9,229    | 9,253    |                                                           |
| Burma . . . . .         | 1         | 13            | 2,385    | 2,399    |                                                           |

#### SURPLUS STAFF DUE TO THE TRANSFER OF SOME ACCOUNTS WORK TO THE CHIEF ACCOUNTS OFFICER OR OTHERWISE ON THE NORTH WESTERN RAILWAY.

\*376. (a) Yes, five.

(b) None, because it was found possible to employ them usefully in other capacities.

(c) and (d). One surplus clerk has been utilized in a lower post and two have been retained surplus to the cadre.

I understand that the North Western Railway Administration have hoped that normal wastage and voluntary retirements would eliminate the surplus before long.

The question is being further investigated.

(e) Yes, there are two, one in the Operating Branch who has been officiating in grade VI since the 4th October, 1929, and the other in the Personnel Branch who has been officiating since the 31st October, 1932, in a leave vacancy. None of the clerks referred to above could have been suitably replaced by the surplus accounts clerks.

(f) Yes, but these posts were created long before the clerks in grade VI were declared surplus.

(g) Yes.

(h) Subject to the provision that surplus clerks can fill with efficiency any of the posts which are held by staff in officiating capacity, efforts are made to absorb the surplus clerks in those posts and revert the officiating or temporary incumbents.

#### THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume consideration of the following motion moved by the Honourable Sir George Schuster on the 23rd March, 1933:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be passed."

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muham-madan): Sir, when I was last speaking, I attempted to show that the action taken by the Government supported by the Committee appointed by this House had resulted in a substantial displacement of foreign salt from the markets of India. This, Sir, is a move in the desirable direction, and, in support of my contention, I will just refer only to the Report from the Superintendent of Salt Revenue, Karachi, dated the 7th January, 1932, in which he supports this view. He says:

"I have the honour to say that the effect of the imposition of the additional import duty on foreign salt in stimulating the development of the Indian industry is obvious from the fact that the Karachi manufacturers were unable to dispose of their salt exported to Calcutta at a reasonable rate and, as a result, it remained stored in the *godas* until the additional duty came into force."

Later on, he said:

"that the additional import duty has helped the manufacturers considerably and has enabled them to compete with foreign salt."

In the Report of the Salt Industry Committee which was appointed by the Legislative Assembly, the effect of the imposition of the additional import duty on foreign salt has also been sufficiently indicated. This Committee is a representative Committee appointed by this House, and, in their Report issued in February, 1932, they say:

"The facts reported to us show that the methods adopted in the Salt (Additional Import Duty) Act, 1931, which was passed into law a year ago on our recommendation, have been remarkably successful in achieving the particular object of stabilising the price of white crushed salt at a level which would encourage the substitution of Indian for foreign salt and, at the same time, would avoid laying on the consumer a burden larger than was necessary to secure that object."

Sir, I need not read any more quotation on this point. I was somewhat amused to find my Honourable friend, Mr. Morgan, basing his amendment on the contention that the Liverpool salt should be exempted from this import duty, on grounds of Imperial Preference.

The history of the introduction of English salt into this country has been told on the floor of the House on previous occasions, and I will not go into details on that subject. It is only necessary for me to say, Sir, that the history of the entry of Liverpool salt into the markets of India is a history which is not creditable either to the Government of the day or to the foreign importers. It has been contended that the taste of the people of Bengal and of Bihar and Orissa is for white crushed salt which comes from foreign countries, and that the salt produced in India does not come up to the mark. In this connection I will only refer to the fact that in the year 1832, when a Select Committee of the House of Commons was appointed to report on the affairs of the East India Company, they referred

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to this aspect of the matter, and in their Report they state at page 89 as follows:

"As the manufacture of salt by private individuals would thus endanger the security of the revenue, it does not appear expedient to interfere with the existing regulations on that head; but it is desirable to adopt means for encouraging a supply of salt by importation in lieu of the manufacture by the Government."

Now, Sir, there was another Parliamentary inquiry which was held in 1853, when a representation was made to the authorities of those days on behalf of the Cheshire manufacturers of salt. In that representation it is stated:

"That on an average of several years past, not less than six lakhs of tons of salt had been annually made from brine and rock salt in the salt districts of Cheshire, giving employment by land and water to at least five thousand able-bodied men.

That a constant supply of salt of good quality and at reasonable prices is of the utmost importance to the extensive population of British India, particularly the lower classes, but at present they are almost entirely dependent upon the article manufactured in that country, which is impure in quality, uncertain and insufficient in supply, and costly in price. That if the salt manufactured in England could be imported into India upon the same terms as other goods, a sufficient quantity could be sent from the salt districts of Cheshire to meet the wants of that country, pure in quality, certain and sufficient in supply and low in price."

Reading between the lines, it indicates that a determined effort was made by the foreign manufacturers of salt in England to crush the indigenous salt industries of this country, and the allegation is made that the salt then manufactured in this country was not quite up to the mark, and that it was impure and mixed with dirt. Now, my contention is that the foreign salt, which they imported at that time, was deliberately mixed with dirt and then palmed off as pure quality in India. That I am not drawing upon my imagination will be borne out by the report of the Board of Revenue to the Government of Bengal in 1852. In that report the Board of Revenue stated as follows:

"Besides the reaction consequent upon the extensive clearances of 1849 and 1850 the Board think that this further diminution of quantity may partly be attributed to the increase in the importation of Liverpool *pungah*, which is of so fine a quality that it is usual to mix with it earth and other impurities in order to adapt it to the taste of the consumers, who have been habituated for ages to the use of a substance of very different appearance, and are strongly prejudiced against the undisguised foreign article."

Now, when my Honourable friend, Mr. Morgan, asked a question of my Honourable friend, the Finance Member, as to the desirability of holding an inquiry whether the Liverpool salt was in any way interfering with the manufacture of indigenous salt, the Finance Member very readily consented to undertake the inquiry as suggested. I do not allege that there was any sort of private understanding between my Honourable friend, Mr. Morgan, and my Honourable friend, the Finance Member; but the ready way in which he undertook to make an inquiry into the matter shows that the Government have still a soft corner in their hearts for the continuance of the importation of foreign salt in India. I should strongly deprecate any attempts being made to put up the theory that the Liverpool salt was not interfering with indigenous manufacture, and that it should continue to be imported into India, whether into the markets of Bengal or Bihar and Orissa or elsewhere. Sir, I take it as uncomplimentary to my countrymen, whether inhabiting Bengal or Bihar and Orissa, to say that our tastes

have been so vitiated that we cannot do without foreign salt. In the days of the Swadeshi agitation in Bengal, when the whole country was flooded with a wave of nationalist sentiment, the people of Bengal tried to put a ban on the importation of foreign salt by taking to swadeshi salt, along with other indigenous articles. Referring to that, the then acknowledged leader of Bengal, Mr. Surendra Nath Banerjee, later on Sir Surendra Nath Banerjee, speaking from his seat in the old Imperial Legislative Council, stated as follows:

"My memory carries me back to the days of the Swadeshi movement when we eschewed foreign salt. We vowed not to take any foreign salt. We made that vow in our mosques and in our temples and many of those who took the vow have observed it. Therefore, Sir, under a strong swadeshi impulse, which I hope will revive with the growth of responsible government we may discard the very clean salt that we are in the habit of consuming. Things are changing rapidly in India. Tastes will also change."

I, therefore, think that it is a calumny on our friends of Bengal or Bihar and Orissa to say that our tastes are so vitiated that we object to the displacement of foreign salt by indigenous manufactured salt. In this connection I should like to refer to the fact that while the gates of India have been flung wide open to the importation of salt from other countries, salt manufactured on the continent of India—it may be in Indian States—is not allowed to enter all parts of India on the same terms as foreign salt. I took this matter up with my Honourable friend, the Finance Member, and the reply which I received—I have not got a copy of it here just now—was that it was due to certain treaty engagements with States in Kathiawar. I was referring at that time to the salt of Okha and other ports of the maritime States in Kathiawar. My submission is that India possesses exceptional facilities for the manufacture of salt in this country. It has got a very salubrious climate with plenty of sunshine; and it is surrounded on most of its sides by sea and it has also got salt lakes. It is, therefore, a country which is peculiarly fitted for the manufacture of salt; and Government have been remiss in their duty hitherto in not making determined efforts to stimulate the manufacture of salt in this country, and continuing to import salt from other countries. Now that I observe that at the instance of my Honourable friend, the Finance Member, a lead has been given in this connection, I agree that the additional duty which was imposed last year should be continued for the next year as is the proposal of the Government at a reduced rate, and that it will result in the displacement of foreign salt from the markets of India without imposing any undue burden upon the consumers, and I would again, in conclusion, repudiate any suggestion that the people of my province—Bihar and Orissa—and I take it the people of Bengal also—will demur to the consumption of indigenous salt and will continue to import salt from other countries. With these few words, as I thought that the name of my province Bihar had been constantly mentioned on the floor of the House, I welcome this opportunity of stating my views and of supporting the Government in their proposals. Sir, I conclude.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): Sir, I do not propose to take up much of the time of the House. I only want to bring one fact to the notice of the House, and especially to the Members from Bengal, that in supporting this motion for passing this Bill, they will not be doing any harm to their own province. Bengal

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LEGISLATIVE ASSEMBLY.

[25TH MARCH 1938.]

[Mr. B. V. Jadhav.]

has not got any right to ask that they should get salt much cheaper than other provinces of India which manufacture salt. Bombay manufactures her own salt and uses it. But what are the people of Bombay required to pay? At the salt pans the manufacturers charge something between eight to twelve annas a maund for labour and interest on investment. That amounts to between Rs. 50 and Rs. 75 per hundred maunds, and besides this price the merchants who purchase from the salt pans have to pay cartage and other incidental expenses. So, the salt that comes from the salt pans of the Bombay Presidency costs something like Rs. 60 to Rs. 80 in Bombay besides the salt-tax: while Bengal is getting her salt, even with this additional duty, at the rate of Rs. 55 to Rs. 60, and Bengal is getting her salt much cheaper than either Bombay or Madras does, and, therefore, I think the Bengal people have not got any just grievance. The duty is imposed in the interests of the whole country and in order to preserve and advance the salt industry of the country, and in order to support the principle that a nation like India ought to be self-supporting in the manufacture of this necessary article. Therefore, any real sacrifice which Bengal has to make is asked in the interests of the country and, at the same time, we ought not to lose sight of the fact that even with this sacrifice Bengal is getting her salt much cheaper than the sister provinces which are manufacturing their own salt. I, therefore, support this motion.

**Seth Haji Abdoola Haroon** (Sind: Muhammadan Rural): Sir, I rise to support this motion. I quite agree with what my friend, Mr. Jadhav, has said that even in the Bombay City, though she produces enormous quantities of salt, it cannot be had cheaper than it can be got in Bengal. Speaking about Karachi, Sir, there are salt pans only at a distance of about six or seven miles, and even there we cannot get salt for anything less than Rs. 37 to Rs. 40 per 100 maunds.

Sir, I may tell this House that I am one of the members of the Salt Committee, and since last year I find that the Bengal and Bihar Governments are trying to abolish the salt duty, because the people are complaining that they are getting salt dearer on account of the import duty on foreign salt. But if you will go through the rate of salt prevailing in Calcutta, during the last 25 or 30 years, you will find that they are not able to get salt anything under Rs. 90 to Rs. 100 per 100 maunds. At present, on account of the depression all over the world and also on account of the reduction of prices of many other commodities, the price of salt is also reduced. I know there is a complaint from Bengal that they are paying about Rs. 38 lakhs or so on account of this new import duty on foreign salt, but when this duty was fixed, we also fixed the rate of Rs. 66 per 100 maunds, but, on account of competition even among Indian manufacturers of salt, the price has been brought down to Rs. 55, and today we are fixing the prices after the complaints from Bengal and Bihar, at Rs. 54-12-0, whereas we have also reduced the import duty from Re. 0-4-6 to Re. 0-2-6. Considering all these things, I think Bengal might get this year not more than Rs. 50 per 100 maunds of salt delivered at the Calcutta harbour. Therefore, we are giving only a little help to Indian and Aden industry. If Honourable Members will go through the import of salt from different places, they will see that within the last two years

Karachi alone has improved her salt industry and there has been an increase in the production of salt from 11,000 tons to 34,000 tons last year, and this year we expect to ship about 60,000 tons. In the same way, Kathiawar and other ports have also increased their output of salt. If Bengal refuses to support the Indian industry and if this sort of provincial jealousy is imported into this economic question, I do not know where we shall all be. Today if you will go through the export figures of rice, so far as Bengal is concerned, you will find that Aden and the Red Sea coast ports alone are purchasing from Bengal rice, jute and tea in large quantities. These ports are purchasing not merely Bengal products, but also the products of Bihar, and if Bengal refuses to support this industry, I do not know what the economic condition of these Aden and Red Sea ports will be, or how they can consume more rice, tea and jute from Bengal. We are merely trying to give a little assistance to this indigenous industry which has just been started in different ports. Therefore, I appeal to my Bengal friends that they should not oppose this measure. This is only an experimental thing to last for one year, and if we find that, as a result of this measure, Bengal is suffering, we can reconsider the matter next year. With these words, I support the motion before the House.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): Sir, I did not wish to say anything, but the remarks which have fallen from my friend, Seth Abdoola Haroon, make it necessary that I should offer a few observations. It is all very well to say that Bengal is very selfish, that Bengal does not wish that other provinces should thrive, that Bengal does not wish that the Aden industry should thrive, but what has been the attitude of my friends from Karachi and other places?

The House will remember that last year as a result of the report of the Assembly Committee it was decided to hold a Conference of salt manufacturers in Simla for the purpose of considering whether a system of allotment by quotas could not be arranged. When that was done, what was the attitude taken up by our Bombay and Karachi friends? They said: "Look here, cut down the Aden supply as much as possible, give it all to us in Karachi". That was the attitude they took up. The position is this. As a matter of fact, Aden had been supplying salt to Bengal for a long time, and the one reason why Bengal has to depend upon Aden for her salt is this, that rightly or wrongly, the salt of the quality which the people of Bengal are in the habit of consuming can be had in Aden. If Bengal could take the salt produced in other parts of India, the situation would have been much easier, but we are not concerned with the question as to whether or not Bengal could be made to change her taste, as my friend, Mr. B. Das, would want it,—that is a different question altogether. For present purposes, we have got to accept this that Bengal has been accustomed to a certain quality of salt, and the question is whether it is possible to get that quality from India. The continent of India could not supply that quality, and, therefore, we had to turn to Aden. But Bengal's objection has been against the high prices which she has to pay for such salt, whether it comes from Aden or from any other source. The point which I wish to make is this. Bengal cries out, because she is hard hit, and when she cries, my friends on the other side turn round and say: "Oh, what a sorry spectacle that Bengal should thus be pitting herself against the rest of India, when it is a question of fostering the home

[Mr. C. C. Biswas.]

industry!" When, on the other hand, our Karachi friends are faced with competition, what is the attitude they take up? "Give us all, the whole of it we will supply. Cut down the other sources"; and these merchants went even so far as to say that Government should abandon the policy of developing Khewra. You remember, Sir, the main purpose of the policy which this House had accepted was that the northern Indian sources of supply should be developed, and ultimately we should have to turn to Khewra for the bulk of our supply in Bengal. So unselfish, so philanthropic, and so disinterested were my friends of Karachi that they solemnly suggested that Government should give up that policy altogether! Khewra must go, Aden must go, and only Karachi should remain—that is their attitude, Sir. Well, Bengal is not the only selfish province, but wherever self-interest is touched, there is this cry of "save us". And the cry of helping the home industry comes with ill grace from those who were not scrupulous enough to forgo unholy gains.

I do not speak of Karachi now, I turn to Aden. What did the merchants of Aden do? In 1931, the freights were actually lowered by Rs. 9 or Rs. 10 per 100 maunds. Still did Aden give to Bengal the benefit of that reduction? No, nothing of the kind. As a matter of fact, that had been overlooked at the time the Assembly Committee submitted its report. They took the figure on the basis of which the Tariff Board had worked it out. But the Aden merchants knew very well at that time that strictly speaking the prices should have been reduced by at least Rs. 9 or Rs. 10 per 100 maunds. They did not do it, they enjoyed the benefit of the reduced freights all the time. It was only when two new ports on the Red Sea started sending out supplies that the prices fell,—not as a result of internal competition as my Honourable friend, Seth Haji Abdoola Haroon, has suggested, but only because these two new ports which were not as rapacious as the older merchants of Aden,—it was only when they came in that my friends became somewhat generous and brought down the prices. Sir, every one is acting from self-interest, but it is only when Bengal cries out, because she is so hard hit, that my friends take up that high and lofty attitude! That is the position.

**Pandit Ram Krishna Jha** (Darbhanga cum Saran: Non-Muhammadan): I beg to support this motion. So far as my province goes, no Bihari will be found willing to give preference to Liverpool salt. We are all for indigenous salt, and I hope that every Indian and every official will be true to his salt. My Honourable friend, Mr. Gaya Prasad Singh, has already given all the reasons which I wanted to advance in support of this motion, and so I have nothing more to say. I support the motion.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I should like just to say a few words because the question of Bengal has arisen again. My Honourable friend, Mr. Jadhav, has said, and I think he is correct, that the consumers in Bengal are not paying any higher prices for salt than the consumers in other parts of India. I have made enquiries from several of my friends in this House, and it will not be correct to say that Bengal consumers are really paying a higher price than what prevails in other parts of the country.

As regards the contention of my Honourable friend, Seth Haji Abdoola Haroon, I do not see anything wrong, if Bengal cannot produce her own salt, Karachi should not supply the whole of the salt that is necessary for Bengal. I certainly desire, and in that effort I hope my Honourable friend, Mr. Biswas, will help me,—I certainly desire that there should be an attempt made in Bengal to produce the salt that she requires. But if we fail in that effort, then it is in the interests of the consumers themselves that we should not say anything against Karachi trying to supply the Bengal market.

In the Salt Committee when the question of Liverpool salt was raised, the Honourable the Finance Member took up the right attitude, because except Mr. Morgan it was nobody else's case that we should bring cheap imported salt even if it is from Liverpool. But I was a little surprised that the Honourable the Finance Member so easily acceded to the request for an enquiry. I hope that before he yields in any way to the imported Liverpool salt being free, he will allow this House an opportunity of putting their point of view. If that is conceded, I do not think we should grudge any part of India supplying our needs in Bengal unless we can produce ourselves the quantity that is necessary for us. On these grounds, I support the motion.

**Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): I do not wish to join in the internecine war on the parochial question of salt, but what I wish to say here today is that the Italian and other foreign Governments are helping their salt manufacturers financially. It is a matter of pity that our manufacturers in this country are not so backed by our own Government. In this third Report of the Salt Committee which was a Committee of this very House, they say that the provincial representatives considered that:

"as a result of the consideration of Mr. Pitt's report, the development of local production of salt in their own provinces on an economic basis and on any substantial scale cannot be regarded as a reasonable probability."

But the Assembly Committee differ from that opinion. Yet I submit that this Report deserves very great consideration. The Committee do not also agree with the view that the development of the Northern India inland sources supply on an economic and competitive basis is possible. But, my submission is that if the Government of India give some help towards the development of the salt industry in this country, then every thing will become possible.

**The Honourable Sir George Schuster** (Finance Member): Sir, I should have had nothing to say on this third reading debate, because the general opinion expressed has been in favour of the motion. I only want to say one word on the question of the enquiry to which reference has been made. I am sure, the House will accept it from me that nothing has passed between me and Mr. Morgan except what took place in the Committee and on the floor of this House. I have had no private conversation with him about it at all. The question of enquiry arose, because the other day in the course of the debate I gave, as one of my reasons, why the Government would have to oppose Mr. Morgan's amendment, the fact that there had been no enquiry into the position and that obviously a proposal which raised very important issues could not be accepted without the fullest possible enquiry. When my Honourable friend then said "Will the Government inquire into the matter", I naturally agreed that there was no

[Sir George Schuster.]

objection to an inquiry being made. I should have taken the same attitude to that suggestion if it had come from any quarter of the House. I want to make it quite clear in this matter what my own view would be. The only consideration which could influence us in considering the suggestions made would be the consideration of the interests of the consumer. Whatever one's private feelings may be in the way of sympathy for British interests, so far as our official action is concerned in this particular case, we could only look at the matter from the point of view of the interests of the consumer. I conceive that it is possible that it might be established that in the interests of the consumer who requires a special quality of salt there was no object in imposing a duty on that particular salt. I only say that it is possible, and it is in view of that possibility that I agreed that we should departmentally inquire into the position. There is no suggestion of any elaborate inquiry. The Central Board of Revenue will try and collect evidence on the matter, and record that in their report. This report will come before the Assembly Committee on salt, and no action will be taken except after full consideration in that Committee. Nor would any action be taken except after full discussion in this House, and I feel sure that my Honourable friends opposite will appreciate the point that I have already made several times, that in this question of dealing with salt policy we have throughout merely tried to follow what we understand to be the wishes of the majority of the representatives of the public in this House. That, Sir, will continue to be our policy in this particular matter.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be passed."

The motion was adopted.

# THE INDIAN FINANCE BILL—contd.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume consideration of the Indian Finance Bill, clause by clause.

The question is that clause 5 stand part of the Bill. **Mr. S. C. Mitra.**

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I move:

"That clause 5 of the Bill be omitted."

Clause 5 of the Bill runs thus:

"With effect on and after the 1st day of July, 1933, and for three years thereafter, the Indian Stamp Act, 1899, shall be deemed to be amended in the manner specified in the Second Schedule."

With your permission, I like to move item No. 87, because it deals with Schedule II which is an integral part of this motion.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If clause 5 is omitted, then automatically Schedule II will go.

**Mr. S. C. Mitra:** In that case, I move amendment No. 33 only. Clause 5 of the Bill deals with the stamp duty on cheques. There was such a duty on all cheques, but after mature consideration Government agreed that this duty should be abolished and even in the present case it is proposed only as a temporary measure. That shows that even now Government are not sure about the justice of putting any duty on cheques. In this connection I like to read from the recommendations of the Indian Central Banking Inquiry Committee where they have dealt with this matter, after considering all the relevant evidences. It appears on page 446, paragraph 663. They say:

"The increasing use of negotiable instruments of credit is a certain indication of the growth of the banking habit. The most important of such instruments is the cheque. Evidence is forthcoming from all directions of a substantial increase in the number of cheques which daily pass through the Clearing Houses. The recent abolition of the stamp duty on cheques appears to have contributed materially to a more extensive use of the cheque not only in the Presidency towns and other big commercial centres but also in the mofussil. The co-operative banks also recorded a rise in the number of new accounts opened and the cheques issued by them. There is, however, still a large portion of the population to whom the cheque system is a mystery. It has yet to understand and appreciate the facility and the security a cheque currency affords both to the drawer and the payee."

In the next paragraph, they go on to say:

"One of the most serious obstacles that impede the growth of the cheque habit in this country is the illiteracy of the people. The cheque system presupposes a certain degree of literacy which is lacking in this country. Even amongst the literate classes only a few can correctly draw up a cheque in the English language in which the cheques of most of the banks are printed. A single erasure or a mistake vitiates the instrument. There is, therefore, a general demand for the use of the vernacular in this and other departments of banking and we have referred to it in the chapter on Commercial Banking."

The last quotation will go to show that if there is a stamp to be affixed on each cheque in the case of these illiterate people, it will be a matter of further hardship. It is admitted that we are not accustomed to commercial habits and that our agricultural population is gradually acquiring these habits and so there should not be anything to impede it. It has been very truly said by the Honourable the Finance Member that precious metals like gold and silver are not eatables. Though it is a truism, it required more than a century for people in the West to understand this simple thing. Though the main purpose of precious metals like gold and silver is merely to serve as a medium of exchange and that people really understanding the credit system should use anything else and even mere paper, to serve as medium for barter or exchange, yet, not to speak of India, in the western countries as well, there is a hunger for these precious metals. We all wish that the time will come when people will be actuated by purely scientific ideas and that the purpose served by the precious metals may be served by paper. But that is a far off day, and anything that could be done here to accustom our people to acquire banking habit should be encouraged and the system of issuing cheques on Banks which is now getting more into vogue, should not be any way discouraged by asking people to affix a stamp of one anna on cheques; and further, the income expected from this is only rupees seven lakhs and if it is to be divided between a dozen provinces, it will be a few thousand rupees only for each province. So, from the financial point of view also, I think, there cannot be any objection from the Treasury Benches to the omission of this clause. Sir, with these words, I move my motion.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That clause 5 of the Bill be omitted."

**Mr. F. E. James** (Madras: European): Sir, it is a happy circumstance that finds me in agreement with my Honourable friend, Mr. S. C. Mitra,—and I hope that it may indeed be one of many occasions in the future when he and I will see eye to eye. (Hear, hear.) I desire, Sir, to support this motion for the deletion of clause 5. I would remind the House of what the Honourable the Finance Member said when he announced this particular proposal in the course of his Budget Speech. He referred to the recommendation of the Currency Commission of 1926, he referred to the Indian Central Banking Enquiry Committee to which also my Honourable friend, Mr. Mitra, referred this morning, and he went on to say:

"We, therefore, felt that we had no strong grounds on which to resist the demand which has been pressed upon us by various Provincial Governments that the stamp duty should be reimposed in order to help their revenues, and we have accordingly though somewhat reluctantly agreed to propose the re-imposition of the duty for a limited period of three years."

Now it is quite obvious to anyone reading that speech that, first of all, the Finance Member was subjected to pressure from various Provincial Governments; secondly, that he only yielded to that pressure most reluctantly; and, thirdly, that the measure of his reluctance is shown, first of all, by the smallness of the duty and, secondly, by the fact that it is limited to a period of three years. Now, I would like to make it clear that my objection to this proposal is to its principle. It may be urged by Honourable Members that as the amount is very small, yielding in a full year only Rs. seven lakhs spread over the whole of British India, it cannot bear heavily upon people in a particular province. Sir, to my mind that argument is quite beside the point. The whole principle is involved as to whether taxation should be levied on a particular form of transaction such as is represented by the cheque, and here I would place two points before the House.

My first point is that this will be definitely, at the present time particularly, a bar to the spread of the cheque habit. It cannot be beyond the knowledge of the Honourable the Finance Member that at the present time, owing to economic circumstances in the country, Banks which have in the past given their services very liberally, have had to curtail the amount of services which they have given to their constituents. He cannot be unaware, for example, that in some parts of the country Banks have been obliged to charge discounts on cheques of small amounts. Naturally, one can understand their point of view. They have had to curtail their expenses, and therefore, they have been anxious not to encourage an enormous number of small cheques coming into their offices. It is for that very reason that at this time I object to a further imposition of a burden upon a habit which should be encouraged rather than discouraged at the present time.

My second objection to this is that it involves an additional burden on business and trade, at a time when business and trade cannot bear even the smallest extra burden. I do not refer to the burden in its present incidence; I refer to the burden on principle. Once the provinces have begun to feel even a small benefit from this small levy on the cheque, the Honourable the Finance Member will be subjected to the same kind of pressure to

which he has now reluctantly yielded for an increase in the amount, and, therefore, I cannot allow this proposal to go by without objecting to it on principle. Now, I know that it may be urged that some provinces desire extra money, because they are in deficit, and we may be appealed to on the Biblical principle that we should bear one another's burdens. That may be all right in Biblical times and under Biblical conditions; but, at the present time, the provinces are bearing unequal burdens in the matter of local taxation.

Now, I represent my own community in the Madras Presidency. I do not think the Honourable the Finance Member can be fully aware of the tremendous increase in local taxation which has taken place in my Presidency during the last five or six or seven years, particularly in the taxation under municipalities and district boards. This taxation is based upon transactions. In district boards and district municipalities there is now a tax and a fairly heavy tax on companies either in respect of profits according to the Income-tax Acts, or in respect of business turn-over. In the Madras City, there is also a tax upon the paid-up capital of companies, so that a company operating through a small branch in the Madras City, whose headquarters are in Bombay, where it may have a capital of 85 lakhs, pays in the Madras City on the total amount of its capital which is held in Bombay for the whole of India. Therefore, it is not surprising that one representing business or trading (or at least a portion of it) in a province like Madras should feel that this proposal cannot be agreed to at the present time. The whole purport of the Honourable Member's Budget Speech (as he says in the last paragraph of that speech,) is that it is a great disappointment for him that he has not been able on the occasion of the last Budget of his five-year term to take for the first time the pleasant path of relaxing burdens of taxation, and that he felt it necessary to take the harder path of budgetary solvency and of retaining such taxes as were necessary to bring that about during the current year. But, Sir, reluctantly I am sure, under the most severe pressure from some provinces—who are not named in his speech, but whose identity one can guess, he has not merely stood by his previous plan, but he has subjected this kind of transaction to additional taxation. It does not affect his own Budget, and, therefore, I would appeal to him to leave this for the time being. We on this side of the House believe he is absolutely right when he says that the great need for the finances in India today is to maintain a balanced Budget; and if we were pressing anything which seriously threw that out, we should be going against our own principles. But what we say is that this does not affect central revenues at all; it affects only provincial revenues and to a very small extent. But it is the principle to which I object and I hope the House

will reject this proposal by a large majority so that the responsibility of agreeing to this reluctantly may be taken off the shoulders of the Finance Member and he may reply to those Provinces which subjected him to pressure to this effect: "I did my best, but this irresponsible Assembly prevented me from carrying out your wishes and I am sorry I have not been successful." Sir, I support the amendment.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Will the Honourable the Finance Member give his views and then again reply to the debate. It will curtail the issue.

**Mr. K. P. Thampan** (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I have also given notice of a similar amendment and I have great pleasure to associate myself with what has fallen from my Honourable friends. Mr. Mitra and Mr. James.



[Mr. K. P. Thampan.]

Sir, the effect of this new imposition of stamp duty on cheques will not be felt in the banks working in big towns like Delhi and the Provincial Capitals like Bombay, Madras and other places, but it is in the small towns that its effect will be felt. In a comparatively small bank in my place the number of current accounts that were kept before the stamp duty was abolished was 46 while it has now gone up to 262. This clearly shows that the abolition of the stamp duty has justified itself and fostered the habit of keeping accounts in banks. I am sure, if this imposition is made, there will be less inclination among middle class people to send the money to the banks. Many banks do not give interest for current accounts, and if the cost of stamps is debited from the deposit money, it will be a deterrent indeed. Some of us are accustomed to issue cheques for small amounts like Rs. five, and when one has to pay one anna more in addition to the money one has to give, the inclination is to keep the money at home and not to send it to the bank. In this connection, I have received representations from Malabar, Madras and even from Bombay urging on me that this stamp duty should be opposed. I will not take up the time of the House by reading them all, but, with your permission, read only one telegram which I have received from our colleague and friend, Mr. Jamal Mohamed, who is unavoidably detained at Madras. He says:

"Southern India Chamber protest against restoration stamp duty on cheques. It is contrary to report of Central Banking Committee and will positively discourage banking habit."

I need add nothing more. I heartily support the motion before the House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Does the Honourable the Finance Member wish to say anything at this stage?

**The Honourable Sir George Schuster** (Finance Member): I think the debate had better take its normal course.

**Mr. H. P. Mody** (Bombay Millowners' Association: Indian Commerce): Sir, it is rather difficult to be enthusiastic or eloquent over the subject of cheques particularly in a thin House.

**Mr. Gaya Prasad Singh**: It is only on cotton that you can speak.

**Mr. H. P. Mody**: That is a very fascinating subject and you have not yet heard me fully. I was going on to say, Sir, that I would speak very briefly on the amendment more so as I feel that my Honourable friend may not offer any strenuous opposition to it. In a moment of weakness he has succumbed to the importunities of Provincial Governments. He knows very well that this money is not going into the coffers of the Government of India. He will have to pay it out to the Provincial Governments, and, therefore, he will be disposed to be more sympathetic towards this amendment than he would ordinarily be. I would only hope that this weakness that he has shown in dealing with Provincial Governments he would sometimes show to us also when we are suggesting something which is equally reasonable as what the Provincial Governments from their point of view have suggested.

The case for the abolition of the stamp duty has been put before the House in three speeches already and reference has been made to what the Banking Inquiry Committee has said on the subject. I would like to go back a little further than that and read to you what the Hilton-Young Commission on Indian Currency and Finance has stated in this connection which, I think, is of greater importance, because it deals with the whole issue, not from the narrow point of view as to whether more cheques will be issued or less, but what the abolition of the stamp duty would really achieve in the matter of changing the economic habits of the people. This is what the Hilton-Young Commission have stated:

"Of the other measures which are understood to be under consideration, one which appears to us likely to be particularly fruitful is the abolition of the present stamp duty on cheques. This change is undoubtedly an obstacle in the way of the development of banking in the country. It probably tends to restrain many people from opening current accounts and so making payment by cheque instead of cash. A similar duty was at one time in force in the United States of America. It was found to be an unsatisfactory restraint upon the use of cheques and upon economy in the use of currency, and was abandoned. The abolition of the duty in India would hold out some prospect of a ready and wide adoption in the bazaars of cheques as a means of payment. This would be an appreciable step forward in the development of banking, and might well prove an important factor in bringing about a profound and still more widespread change in the economic habits of the masses."

Thus it is not a question of a few lakhs of rupees, neither is it a question of a few more cheques or a few less cheques, but it is a question of trying to bring about a profound and widespread change in the economic habits of the masses. From that point of view, the proposal of the Finance Member is a positively retrograde one, particularly in view of the fact that the Banking Inquiry Committee has made many other recommendations which have not been adopted. Instead of following them up, here is the Finance Member actually proposing to go back upon a view point on which they laid a very great stress. The Banking Inquiry Committee said that the stamp duty on bills of exchange usance bills, and the like should be done away with. In this connection, I would like to ask my Honourable friend what the use of these Committees and Commissions is. We seem to live in an age when Committees and Commissions are poured down upon us in a steady stream. When these Committees are set up, there is a mild scramble for seats on them, and they career about the country at a great expense to the tax-payer. Then they submit long reports which are accompanied by dissenting notes equally long and the Government of India print these reports and everything is finally pigeon-holed. Sometimes I wonder whether the Government Members themselves read these reports. I do not mean the whole of the Cabinet, because that is entirely out of the question. I mean the Member in charge of the Department concerned with the subject on which the report has been issued. I would very much like to put an examination paper to my Honourable friend, the Finance Member, as regards the report of the Banking Inquiry Committee. The only trouble is that I have not read the whole of the report myself. (Laughter.) But of this, I am sure, that, if my Honourable friend was set a test paper on the report of the Banking Inquiry Committee, he would egregiously fail. I think the amendment really requires no strong advocacy. It is one which the Finance Member must report as very reasonable, and I hope he will not offer any opposition to it.

**Diwan Bahadur A. Ramaswami Mudallar** (Madras City: Non-Muhammadan Urban): Mr. President, if there is one proposal of the Government

[Diwan Bahadur A. Ramaswami Mudaliar.]

with reference to the Finance Bill which has received the universal condemnation of the country, it is the proposal to revive the duty on cheques. Indian and European concerns, Indian commercial bodies and European commercial bodies, banks run by Indians and banks run by Europeans have deluged the Members of the Legislative Assembly during the past few weeks with telegrams asking them not to support the special duty proposed.

My Honourable friend, Mr. Mody, referred to the Banking Inquiry Committee and I think the House will agree that he has not carefully studied that report. So far, at any rate, he has been perfectly frank. The Banking Inquiry Committee laid a great deal of stress on the issue that there may be no duty on cheques. They pointed out that instead of levying a duty on cheques, the cheque habit should be extended as far as possible, that Government should receive the land cess and other taxes that are paid by the people in the form of cheques and should not insist on money being conveyed to their treasuries either locally or from the headquarters and that by these means will the people be encouraged in using banks.

Now, Sir, the Finance Member at some stage or other, when that stage will come we do not know, proposes to introduce a Bill with reference to the Reserve Bank. If I understand the purpose of the Reserve Bank properly, it is primarily intended to see that the trade external of this country is regulated by those policies which you know much better than I do, Mr. President, the policy of discounting in the first place and the policy of regulating the amount of trade external which goes out and comes into this country. One of the greatest helps to the Reserve Bank to function successfully is to see that the banking system of this country is linked up properly, that outside the banking system of the country there is as little volume as possible; and one of the greatest difficulties that will face any Reserve Bank is, because there is credit outside the banking system. If that credit is not to exist, it can only be by the promotion of the banking habit amongst the people and one of the things that affects materially the promotion of that habit is the practice of having current accounts in banks. A man, who has a current account, naturally tries to have his securities also in the bank, to invest in securities, so that he may have overdrafts and all that sort of investment which goes to help the Reserve Bank. Now, it seems to me that the levy of this duty will not promote that object we have in view. Sir, there is a fundamental objection which I see with reference to this duty, not that the duty has been imposed, but that the proceeds have to be distributed to the provinces. If this duty were imposed for the sake of the Central Government themselves and it was only for a short period, perhaps the objection would not be so serious as it is today. Now, what does it come to? It means that the duty has been imposed for the benefit of the various provinces under pressure from those provinces, so that when the Central Government want to remove this duty, the Central Government will not be in a position to do so. The pressure will still continue; the pressure will grow. As my friend, Mr. James, pointed out, the duty may have to be enhanced even and when the Government want to remove the duty, there will be protests from the various Provincial Governments that it ought not to be done. Therefore, the way in which the Finance Member proposes to deal with the proceeds is even more objectionable

from my point of view than the levy of the duty itself. Secondly, Sir, the reason that the Finance Member has given is that the Provincial Governments will feel that they get some relief for their overburdened provinces. It seems to me the proceeds are so small that this cannot be seriously considered. There is a story told by Addison in one of his essays in the "Spectator" that, at a time when there were many earthquakes in Ireland, he went about the streets of Ireland and found a pedlar selling pills, and Addison asked him what the pills were. And the pedlar said: "They are to prevent earthquakes". It seems to me that the financial pedlars from these provinces, which will not be named, want these pills to save themselves from financial earthquakes. The remedy is just as sure to be sound as in the case of the Irish pedlar. It seems to me, therefore, that the Finance Member does not have any case at all for the imposition of the duty. Its imposition is bad, its distribution is worse. On both these grounds, I strongly oppose this particular duty.

**Sir Cowasji Jehangir:** Sir, I support this motion of my Honourable friend, Mr. Mitra, on other grounds than those advocated by my Honourable friends. One of the grounds put forward is that since this money is intended to go to the provinces, the Finance Member need not put up a real fight, that the opposition should be less than it otherwise would be. I refuse to accept that argument. I take the Honourable the Finance Member, sitting as he does in the Central Legislature, to be as great a watchdog of the Provincial Budgets and the provincial purse as he is of the Central purse. After all, Mr. President, the Provincial Budgets are connected with the Central Budget. When there are deficits in the Provincial Budgets, the provinces do look to the Centre for assistance, and, therefore, to appeal to the Finance Member to be lenient with regard to the opposition case, simply because the money is not going to the Central Government but to the Provinces, is not only placing the Finance Member in an awkward position, but is taking up a line which some day the opposition may have to regret. Sir, I desire that the Finance Member should look at our point of view on its merits, and we do not bring it forward simply because the money is going to the Provinces. There may be occasions on which we may urge the Finance Member to turn his eyes towards the Provinces more seriously than he is doing at present. There are many Provinces which are in deficit; but I do agree that the amount is so small that it is an insult to offer it to some of the Province which are in need of much greater assistance. Therefore, the other arguments raised by my Honourable friends completely outweigh the argument that the provinces require assistance at this time. And looking at it from that point of view I do suggest that the Finance Member should accept the motion and close the debate.

**Mr. K. C. Neogy** (Dacca Division: Non-Muhammadan Rural): Sir, the only object with which I rise is to invite the Finance Member to explain a few statements that he made in his speech six years ago while supporting the abolition of the duty on cheques.

**An Honourable Member:** That was his predecessor.

**Mr. K. C. Neogy:** Yes, it was his predecessor. The Honourable Member if he turns to that speech, will find that it was first of all pointed out that the loss involved was so small that the Provinces could easily be

[Mr. K. C. Neogy.]

expected to bear it. In the second place, it was further pointed out that as the Provinces concerned were being given relief by way of a substantial reduction of the provincial contributions, this particular loss should be cheerfully borne by them; that is to say, one of the conditions on which the provincial contributions were reduced in that year was the acceptance by the Provinces concerned of the loss involved in the surrender of the stamp duty on cheques. Then, the further point that was made by the Honourable Member's predecessor was that this loss would in any event be a temporary one, because he hoped to be able to bring forward proposals for a division of the head stamps into Central and Provincial, coupled with a revision of the Devolution Rules which would fully make good to the Provinces what they would give up under the head Stamps. I should like to know from the Honourable Member whether any attempt was made for the purpose of amending the Devolution Rules and giving relief to the Provinces in another direction. Then, Sir, in the present Budget Speech, the Honourable Member has said that he has to make this proposal for the reimposition of the duty as a result of the pressure that has been brought to bear on him by the different Provinces. But I find that, while seeking to give relief to the Provinces, he is incidentally going to confer some amount of benefit upon himself, because, if the Honourable Member were again to turn to the speech of his predecessor six years ago, he will find that in that very speech he admitted that the cost of abolishing the duty on other bills of exchange payable on demand will fall to Central revenues. And if the Honourable Members will turn to the Statement of Objects and Reasons of the present Bill they will find the effect of the proposed amendment set out there, as comprising not merely stamp duty on cheques, but also the re-imposition of the duty on bills of exchange which are payable on demand. If, therefore, Sir Basil Blackett was right in what he said about bills of exchange, it cannot be said that this amendment is being sought in the sole interest of the Provinces. And, then, again, I should like my Honourable friend to explain what he means when he says that the proceeds of this tax will be distributed among the Provinces. Does he intend that the proceeds not merely of the tax on cheques, which certainly do belong as a matter of right to the Provinces, but the proceeds from the duty on other bills of exchange payable on demand which, according to Sir Basil Blackett, belong to the Central Government, also are to be distributed among the Provinces? These are the various points on which I seek some enlightenment.

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, in rising to support this motion, I shall assume that the Honourable the Finance Member is being pressed to put forward this proposal at the instance and for the benefit of the Provinces, and I shall further assume that if left to himself the Honourable the Finance Member would have adhered to the proposal made and accepted by this House as far back as 1927.

Honourable Members here have pointed out that the proceeds from the cheque would amount to a small figure of seven lakhs of rupees and distributed as it would be in the eleven odd Provinces, the distribution that will go to the share of each Province would be a dust in the balance. Now, compared to the advantage, the insignificant advantage, that the Provinces would get from the levy of this tax, we have to place on the other pan of the scale the inconvenience that would be caused to the public if this tax

is re-imposed. Sir, when the Honourable Sir Basil Blackett moved for the remission of this duty on cheques, he was inspired by the hope that the banking habits in this country would be greatly facilitated by the free use of cheques, subject to no taxation, and my friend, the Honourable Mr. Thampan, has pointed out that the beneficial effect of the remission of this duty on cheque has been felt not only in the towns but in the remote hamlets and that small banks have grown up and small depositors from the countryside have commenced to make free use of cheques.

Now, Sir, it is a well known fact and this fact is recorded in the pages of books on economy that the world is looking forward to the day when almost all the transactions between nations and men would be through the medium of cheques, and, so far as the Government of India are concerned, they could not be oblivious of the fact that the more the cheques, the less the currency in use, the more cheques, the less bank notes, and the more cheques, the less deterioration of their currency. Therefore, the Central Government are directly interested in fostering the banking transactions through the medium of cheques. Furthermore, the more the cheques, the less is the work for the taxing officers, because if a man brings in to a bank a bag of Rs. 2,000 or Rs. 3,000, the amount of counting, that has to be done, is a waste of so much public time; whereas, if a cheque is given payable to the Imperial Bank, the creditor is satisfied, the debtor is satisfied and the man who sits at the counter is able to utilise his time for other public work. That, I submit, is a gain to the public, a gain to the Government and a gain to the Treasury. I, therefore, submit that it is these cumulative reasons which inspired the Government of India to remit the duty on cheques. Consequently, no pressure from the Provinces alone should have sufficed to induce the Honourable the Finance Member to sponsor his proposal; his reluctance should have been far greater than what he has displayed in the speech to which we have listened and I, therefore, submit that the remission of duty on cheques, made as far back as 1927, and the beneficial effect of it, as is being felt throughout the length and breadth of the country, should continue. Honourable Members will remember that the two Expert Committees dealing with this question have blessed the proposal of the free use of cheques and I submit that time and experience have fully vindicated the anticipations that they gave expression to. I, therefore, submit that the Honourable the Finance Member should accept the motion of my Honourable friend, Mr. S. C. Mitra.

**Mr. Nabakumar Sing Dudhoria** (Calcutta Suburbs: Non-Muhammadan Urban): Sir, in rising to support the amendment for the entire deletion of clause 5 of the Bill, I am actuated by quite a logical and reasonable attitude in the matter. I am not concerned whether the proposal is to benefit the provincial revenues or the Central.

The stamp duty on cheques was abolished, as we all know, in 1927, on the recommendation of such a body as the Currency Commission of 1926, presided over by that eminent financier, Sir Hilton Young with the abolition of the duty, it was expected that there would be extensive use of cheques, leading to the growth of the banking habit on the part of the people. But I cannot subscribe to the view that has been adopted in the matter that the results have belied expectations, and that wider use of cheques did not actually take place. My experience is quite otherwise. The use of cheques did increase by leaps and bounds, and large numbers of people became constituents of banks than before. So long trade and commerce flourished in the land, there was no diminution in their number

[Mr. Nabakumar Sing Dudhoria.]

or decrease in their banking habit. But no sooner the decline in industries, trade and commerce came about than there was a falling-off in the number of bank constituents, and naturally along with that decrease of cheques too. Unfortunately, the Indian Central Banking Enquiry Committee took a survey of the situation just when that decline had intervened and things were getting rapidly from bad to worse, and naturally, therefore, their findings are what they could not have been otherwise in the circumstances. But the illiteracy of the people—if it is meant thereby ignorance of English on their part—did not really stand much in the way of discouraging the cheque habit, as many banks accepted entries and signatures in vernaculars along with the abolition of the cheque duty, in order to take advantage of the situation thus created to have an increase of their constituents, and also to foster the use of cheques on their part. So the theory that the cheque habit has fallen largely into disuse, notwithstanding the abolition of duty thereon for any fault on the part of the people, falls to the ground, as there is no unwillingness or cussedness on their part to use cheques, provided they have funds in banks to draw upon. Cheque habit still stands good—as good as before—and as soon as monetary conditions of the generality of the people improve, cheque habit will revive by leaps and bounds. But, Sir, it is quite another matter if Provincial Governments have pressed upon the Central Government to revert to the imposition of the duty for the sake of raising a revenue. For getting an insignificant income of seven lakhs only, which is again to be divided among the Provinces, the greater portion thereof going to Bengal and Bombay, you make up your mind to scrap up an existing arrangement, which has found universal favour with people for the last five years and has subsisting so many banks. Seven lakhs could easily have been raised from some other source, or by partially restricting the bloated expenditure, of either the Foreign, or the Political or the Military Department, where seven lakhs is merely a drop in the ocean. I would urge, therefore, that the duty should not be re-imposed and things should be allowed to remain as before, only in the interests of the very many banks, which are having an indifferent existence of late.

With these words, Sir, I beg to support the amendment and request the House to accept it, as otherwise we shall antagonise not only a large class of people, but the very many banks as well, whose welfare the Government should also look to.

**The Honourable Sir George Schuster:** Sir, I did not accept the suggestion which was made at an earlier stage by my Honourable friend, Sir Cowasji Jehangir, to attempt to cut short this discussion, because I was very anxious to hear what Honourable Members had got to say on the matter. I think that we may now feel that we have heard views from all sides of the House.

My Honourable friend, Mr. Mody, who has just come in, said that the subject of cheques was one on which it was very difficult to wax eloquent. But I think the House will agree that the natural ebullience of my Honourable friend's temperament or the uncheckable velocity of his tongue, got the better of him in the matter and, in spite of the subject, he has indulged us with a stimulating flow of eloquence. I think that my general feeling, listening to the discussion, is that if anything the arguments on the other side have been overstated. I fully recognise that there are arguments on the other side, but I am anxious myself to put the position before the House as I see it without any form of over-

statement on either side and as fairly as I can. The Government's view on this question, after going into it very carefully, was that although the proposed change was in principle undesirable and although in a sense it could be regarded as a retrograde step, nevertheless, on the evidence, we could not feel that we could take our stand on the ground that to re-impose the duty would administer a serious set back to the banking habit. We do not seriously believe that it will make very much difference, and, that being so, we felt that we were not on strong ground in resisting the representations which had been made to us by the Provincial Governments which are interested in the proceeds. That particular position has been the subject of some quite interesting remarks, and I have been thinking myself, as I listened to what was being said, particularly what was said by Sir Cowasji Jehangir, that we have today a sort of example, a prophetic example of what may happen very frequently under the new Constitution; because, according to the provisions as regards finance which have now been sketched out, it is very possible that a Finance Minister in the Federal Government of India will have to get up and propose all-India legislation imposing taxation at uniform rates for the whole of India, the proceeds of which will all go to the Provinces. There are a large number of taxes which have been included in what is generally known as Class III taxes which will have to be imposed by Federal legislation, but the proceeds of which will be entirely Provincial; and when proposals of that kind come forward, I presume that the representatives of the public will look at the matter partly from the point of view of the interests of India as a whole and partly from the point of view of the particular Provinces from which they come; and there may be difficult occasions when the two points of view may be in conflict. But I hope that when discussions of that kind come up, the case will always be examined on its merits and that the Federal Finance Minister will not be charged with weakness in bringing forward proposals of that kind. I must repudiate any suggestions of weakness in this matter. I confess that, as far as I am concerned, the balance in my own mind between the various considerations is an even one, and that my natural inclination is to do nothing which would discourage the banking habit. But, at the same time, one had to try and take an entirely impartial view and to consider the legitimate interests and claims of the Provincial Governments. As I have said, I feel that the practical effect of this will not be to administer a serious set back to the banking habit. I feel that the factors which in India are operating against development of this habit are different factors: that there are other factors which have very much more importance. There is, of course, the factor to which I referred in my own Budget Speech and which was referred to in the report of the Central Banking Inquiry Committee, the general illiteracy of the people. That undoubtedly is the most serious impediment to the development of the banking habit, but there are other points, and I was interested to hear what Mr. James said when he referred to the practice of many banks of charging a discount on cashing small cheques. I am quite convinced that, if that practice is widely followed, that must be a very much more serious deterrent to the development of the cheque habit than the imposition of a one-anna stamp duty on cheques can possibly be; and I believe that there are a good many other practices of that kind which are keeping India back as a banking country and the more that can be done to eliminate those practices the better. I do not believe that the imposition of a one-anna stamp duty is likely of itself to have an effect comparable to practices of

[Sir George Schuster.]

that kind. That is really our case. I need to say very little more about it. I certainly do not wish to indulge in the eloquence of an advocate in this matter. I want the House to consider the issues calmly and coolly on their merits. This particular proposal, as it has been pointed out, has no effect on our own budgetary plan. The rejection of this proposal will not upset our general financial scheme in any way. But that, I submit, should not make the House deal with the matter light-heartedly. I fully endorse what was said by my Honourable friend, Sir Cowasji Jehangir, in that matter that we must consider the interests of the Provinces and not throw this out light-heartedly, because we feel that it has no direct bearing on the business which is before us, namely, the balancing of the Central Budget.

Now, there are certain things which I have been asked to do and which, I am afraid, I cannot do. The first of them is that I cannot explain or reconcile with my present position everything that was said six to ten years ago by my predecessor. But I want to point out one inaccuracy in the remarks which were made by my friend, Mr. Neogy. He suggested that under this proposal we were going to get certain revenues for the Central Government. I was not quite able to follow on what grounds my friend had arrived at his conclusion or at his suspicion if I may put it in that way . . .

**Mr. K. C. Neogy:** May I interrupt the Honourable Member for a minute? I was merely quoting the speech made by the Honourable Member's predecessor where he stated distinctly that the cost of abolishing the duty on other Bills of Exchange payable on demand will fall on the Central Government in contradistinction to the loss which will fall on provincial revenues in respect of the stamp duty on cheques. What I find is that by this Bill the Honourable Member proposes to re-impose not merely the stamp duty on cheques, but also the stamp duty on other bills of exchange referred to by Sir Basil Blackett.

**The Honourable Sir George Schuster:** Well, Sir, as I say, I am not able to explain off hand all that was said in that speech, but the position is that the whole proceeds of these stamp duties are provincial, and any benefit which is derived from this measure will all go to the Provinces. That, at least, is a position on which I can give definite information. There is no chance of any benefit from this proposal coming to the revenues of the Central Government. I hope, Sir, that at any rate will relieve my friend of one suspicion.

Then, Sir, another thing which I do not propose to do is to tell the Provinces, as was suggested by my friend, Mr. James, that if this measure is thrown out, that if this amendment is successful, that has been the result of the work of an irresponsible Opposition. I trust, Sir, that after they have listened to what I have said, the Opposition or any other Parties in the House will not act in an irresponsible manner. I trust they will try and record their vote in accordance with their carefully considered judgment as to what is the right course of action, and that, Sir, is all I have to say. I put this proposal before the House, and I want the House to decide upon it. Speaking for the Government, we have arrived at a certain conclusion embodied in our proposals, and I have heard nothing to weaken my own adherence to that conclusion, but Honourable Members, as I say, must vote as they think right on this matter.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The question is:

"That clause 5 of the Bill be omitted."

The Assembly divided:

AYES—38.

Abdoolah Haroon, Seth Haji.  
Abdul Matin Chaudhury, Mr.  
Anwar-ul-Azim, Mr. Muhammad.  
Azhar Ali, Mr. Muhammad.  
Badi-uz-Zaman, Maulvi.  
Chandi Mal Gola, Bhagat.  
Dudhoria, Mr. Nabakumar Sing.  
Dutt, Mr. Amar Nath.  
Fox, Mr. H. B.  
Ghuznavi, Mr. A. H.  
Gidney, Lieut.-Colonel, Sir Henry.  
Gour, Sir Hari Singh.  
Harbans Singh Brar, Sirdar.  
Jadhav, Mr. B. V.  
James, Mr. F. E.  
Jehangir, Sir Cowasji.  
Jha, Pandit Ram Krishna.  
Krishnamachariar, Raja Bahadur G.  
Kyaw Myint, U.  
Misra, Mr. B. N.  
Mitra, Mr. S. C.

Mody, Mr. H. P.  
Muazzam Sahib Bahadur, Mr.  
Muhammad.  
Mudaliar, Diwan Bahadur A. Ramaswami.  
Murtuza Saheb Bahadur, Maulvi Sayyid.  
Neogy, Mr. K. C.  
Pandit, Rao Bahadur S. R.  
Parma Nand, Bhai.  
Ranga Iyer, Mr. C. S.  
Sadiq Hasan, Shaikh.  
Sarda, Diwan Bahadur Harbilas.  
Scott, Mr. J. Ramsay.  
Shafee Daoodi, Maulvi Muhammad.  
Sitaramaraju, Mr. B.  
Suhrawardy, Sir Abdulla-al-Māmūn.  
Thampan, Mr. K. P.  
Wajihuddin, Khan Bahadur Haji.  
Ziauddin Ahmad, Dr.

NOES—51.

Abdul Hye, Khan Bahadur Abul  
Hasnat Muhammad.  
Acott, Mr. A. S. V.  
Ahmad Nawaz Khan, Major Nawab  
Allah Baksh Khan Tiwana, Khan  
Bahadur Malik.  
Amir Hussain, Khan Bahadur Saiyid.  
Anklesaria, Mr. N. N.  
Bajpai, Mr. G. S.  
Bhore, The Honourable Sir Joseph.  
Bhuput Sing, Mr.  
Biswas, Mr. C. C.  
Clow, Mr. A. G.  
Dalal, Dr. R. D.  
Dutt, Mr. G. S.  
Dutt, Mr. P. C.  
Grant, Mr. C. F.  
Gwynne, Mr. C. W.  
Haig, The Honourable Sir Harry.  
Hezlett, Mr. J.  
Ibrahim Ali Khan, Lt. Nawab  
Muhammad.  
Ishwarsingji, Nawab Naharsingji.  
Ismail Ali Khan, Kunwar Hajee.  
Jawahar Singh, Sardar Bahadur  
Sardar.  
Lal Chand, Hony. Captain Rao  
Bahadur Chaudhri.  
Leach, Mr. A. G.  
Mackenzie, Mr. R. T. H.

Metcalfe, Mr. H. A. F.  
Miller, Mr. E. S.  
Mitchell, Mr. D. G.  
Mitter, The Honourable Sir  
Brojendra.  
Mukherjee, Rai Bahadur S. C.  
Noyce, The Honourable Sir Frank.  
O'Sullivan, Mr. D. N.  
Puri, Mr. Goswami M. R.  
Rafiuddin Ahmad, Khan Bahadur  
Maulvi.  
Raisman, Mr. A.  
Rajah, Rao Bahadur M. C.  
Rastogi, Mr. Badri Lal.  
Rau, Mr. P. R.  
Roy, Rai Bahadur Sukhraj.  
Ryan, Sir Thomas.  
Sarma, Mr. R. S.  
Schuster, The Honourable Sir George.  
Seaman, Mr. C. K.  
Shah Nawaz, Mian Muhammad.  
Sher Muhammad Khan Gakhar  
Captain.  
Singh, Kumar Gupteshwar Prasad.  
Singh, Mr. Pradyumna, Prashad.  
Tottenham, Mr. G. R. F.  
Vachha, Khan Bahadur J. B.  
Yakub, Sir Muhammad.  
Yamin Khan, Mr. Muhammad.

The motion was negatived.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The 1 P.M. question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That Schedule II stand part of the Bill."

The Assembly divided:

AYES—43.

Abdul Hye, Khan Bahadur Abul  
Hasnat Muhammad.  
Acott, Mr. A. S. V.  
Ahmad Nawaz Khan, Major Nawab.  
Allah Baksh Khan Tiwana, Khan  
Bahadur Malik.  
Amir Hussain, Khan Bahadur Saiyid.  
Bajpai, Mr. G. S.  
Bhore, The Honourable Sir Joseph.  
Clow, Mr. A. G.  
Dalal, Dr. R. D.  
Dutt, Mr. G. S.  
Dutt, Mr. P. C.  
Grant, Mr. C. F.  
Gwynne, Mr. C. W.  
Haig, The Honourable Sir Harry.  
Hezlett, Mr. J.  
Ishwarsingji, Nawab Naharsingji.  
Ismail Ali Khan, Kunwar Hajee.  
Jawahar Singh, Sardar Bahadur  
Sardar.  
Lal Chand, Hony. Captain Rao Baha-  
dur Chaudhri.  
Leach, Mr. A. G.  
Mackenzie, Mr. R. T. H.

Metcalf, Mr. H. A. F.  
Millar, Mr. E. S.  
Mitchell, Mr. D. G.  
Mitter, The Honourable Sir  
Brojendra.  
Mukherjee, Rai Bahadur S. C.  
Noyce, The Honourable Sir Frank.  
O'Sullivan, Mr. D. N.  
Rafuddin Ahmad, Khan Bahadur  
Maulvi.  
Raiman, Mr. A.  
Rau, Mr. P. R.  
Roy, Rai Bahadur Sukhraj.  
Ryan, Sir Thomas.  
Sarma, Mr. R. S.  
Schuster, The Honourable Sir George.  
Seaman, Mr. C. K.  
Sher Muhammad Khan Gakhar  
Captain.  
Singh, Mr. Pradyumna Prashad.  
Smith, Mr. R.  
Tottenham, Mr. G. R. F.  
Vachha, Khan Bahadur J. B.  
Yakub, Sir Muhammad.  
Yamin Khan, Mr. Muhammad.

NOES—48.

Abdoola Haroon, Seth Haji.  
Abdul Matin Chaudhury, Mr.  
Abdur Rahim, Sir.  
Anklesaria, Mr. N. N.  
Anwar-ul-Azim, Mr. Muhammad.  
Azhar Ali, Mr. Muhammad.  
Badi-uz-Zaman, Maulvi.  
Bhuput Singh, Mr.  
Biswas, Mr. C. C.  
Chandi Mal Gola, Bhagat.  
Dudhoria, Mr. Nabakumar Singh.  
Dutt, Mr. Amar Nath.  
Fox, Mr. H. B.  
Ghuznavi, Mr. A. H.  
Gidney, Lieut.-Colonel Sir Henry.  
Gour, Sir Hari Singh.  
Jadhav, Mr. B. V.  
James, Mr. F. E.  
Jehangir, Sir Cowasji.  
Jha, Pandit Ram Krishna.  
Krishnamachariar, Raja Bahadur G.  
Kyaw Myint, U.  
Misra, Mr. B. N.  
Mitra, Mr. S. C.  
Mody, Mr. H. P.

Muazzam Sahib Bahadur, Mr.  
Muhammad.  
Mudaliar, Diwan Bahadur A. Rama-  
swami.  
Murtuza Saheb Bahadur, Maulvi  
Sayyid.  
Neogy, Mr. K. C.  
Pandit, Rao Bahadur S. R.  
Parma Nand, Bhai.  
Puri, Mr. Goswami M. R.  
Rajah, Rao Bahadur M. C.  
Ranga Iyer, Mr. C. S.  
Rastogi, Mr. Badri Lal.  
Reddi, Mr. T. N. Ramakrishna.  
Sarda, Diwan Bahadur Harbilas.  
Scott, Mr. J. Ramsay.  
Sen, Pandit Satyendra Nath.  
Shafee Daoodi, Maulvi Muhammad.  
Shah Nawaz, Mian Muhammad.  
Singh, Kumar Gupteshwar Prasad.  
Singh, Mr. Gava Prasad.  
Sitaramaraju, Mr. B.  
Suhrawardy, Sir Abdulla-al-Māmūn.  
Thampan, Mr. K. P.  
Wajihuddin, Khan Bahadur Haji.  
Ziauddin Ahmad, Dr.

The motion was negatived.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): What is the effect of this amendment on clause 5?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The effect of the decision of the House on Schedule II will be that clause 5 is rendered nugatory and Government will take the necessary steps to rectify the matter if they want to do so.

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): On a point of order. May I ask whether the Assembly is entitled to give two decisions on the same point, one after the other?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair does not think there is anything in that point of order.

**Mr. C. C. Biswas**: Is it not open to the House to act responsibly one moment and irresponsibly the next!

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): It is always open to the House to revise its decision at any stage.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That Schedule III stand part of the Bill."

There are certain amendments for the omission of certain items in Schedule III. The Chair proposes to take those first. No. 98, Mr. S. C. Mitra.

**Mr. S. C. Mitra**: Sir, I move:

"That in Part I-A of Schedule III to the Bill, entry (1) be omitted."

Entry No. 1 is:

"When the total income is Rs. 1,000 or upwards, but is less than Rs. 2,000, Rate—Four pias in the rupee."

The object of my motion is to make the assessable minimum for income-tax, Rs. 2,000 and not Rs. 1,000 as it is obtaining for the last few years. My purpose is that the poor middle class people whose income is between Rs. 1,000 and Rs. 2,000 a year may be exempted from the operation of the Income-tax Act. Now, the man whose monthly income is Rs. 83-5-3 is only exempted and, if my motion is accepted, a man whose monthly income is about Rs. 166 in round figures will not be brought within the mischief of the Income-tax law. It is well known to you and to all Members of the House what an income of Rs. 166 a month means. It can hardly cover the bare daily necessities of a poor family. Though the income-tax is levied from one man, the amount covers the expenditure of a family consisting of several members. The expenses for the sick, the educational expenses of the children and other expenses have to be met from this income. From that standpoint alone, there is very good ground why the assessable minimum should be at least Rs. 2,000. If this motion is accepted, I know there will be a loss to the Government of between 60 and 70 lakhs of rupees and we further know that, in collecting this sum, nearly Rs. 10 lakhs are spent. So the net loss will be not more than 60 lakhs.

It has been argued that some four or five hundred men who are now working in the Income-tax Department will be thrown out of employment, but we must also consider the great hardship this income-tax entails on the



[Mr. S. C. Mitra.]

whole community. These people, who pay the lowest rate of income-tax are generally very poor, have very little education, and, when they are served with notices from the income-tax officers, they cannot, even when their income is below the assessable minimum, properly represent their case so as to get themselves excluded from the operation of this Act. Sir, I understand, even *tongawallahs* in this City of Delhi are harassed by the income-tax authorities, because it is said that their income in some months may go up to more than Rs. 100. The small shop-keepers in towns and even in village-marts are all served with these notices, and a great amount of hardship is inflicted when these people cannot even fight out their true case before the income-tax authorities and this alone should be considered a very good reason why the Honourable the Finance Member should accept this motion. If it is said that in such a nicely-balanced Budget it will be difficult for the Government to accept any motion of reduction of any tax, I can only say that if the Finance Member is genuinely anxious to meet this side of the House, there will be no difficulty about his balancing the Budget.

Sir, I myself gave notice of a motion for raising the excise duty on petroleum so that Government might have a large income which now really goes into the pockets of the Burma Oil Company. Sir, permission has been refused by His Excellency the Viceroy, so I have no comments to make, but I do not know why the Honourable the Finance Member did not take it into his own head to suggest some such measure. I may refer to a speech of the Honourable Sir George Rainy on another occasion where I find that he also agrees with my views that there should not be any difference between the excise and import duty on kerosene, because the price of kerosene is fixed by the price of imported kerosene, and if there is any difference, really it does not relieve the poor consumer, but it goes into the pockets of the Burma Oil Company. My friend, Mr. Gaya Prasad Singh, might be angry with me when I talk of raising the excise duty on kerosene, but I must tell him that my first attempt had been to reduce the import duty on kerosene to the level of the excise duty, so that the poor consumer could get some relief. There, on some technical objections raised by the Honourable the Finance Member, I was not permitted to move my motion. I hoped, however, Sir, that Government would not stand on these technicalities when these questions about poor consumers are raised and that he, knowing full well my purpose, would have waived that objection, but that was not to be and then the only alternative left for me was to propose to raise the excise duty on kerosene to the level of the import duty. By that means certainly, without any burden upon the consumer, that the Government could get a few lakhs, and if they care to take money from people who can afford to pay, they can surely give relief to persons who direly need some assistance in these hard days. Sir, with these words, I commend my motion for the acceptance of this House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Part I-A of Schedule III to the Bill, entry (1) be omitted."

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Khan Bahadur Haji Wajihuddin** (Cities of the United Provinces: Muhammadan Urban): Sir, I support this amendment. The victims of this limit of Rs. 1,000 are generally those who are ignorant and cannot keep an account to show that their income is not taxable to the satisfaction of the income-tax officer. The people who generally come under this category are owners of tongas, carts, *pan* and *biri* sellers, hawkers, soda stall keepers, cycle and watch repairers, other small shop-keepers and also small commission agents. It is evident that it is not easy for people of such small amounts to keep regular accounts which may satisfy the officers concerned that their income does not come under that limit. The income-tax, being a direct tax, is itself unpopular, but the lowering of its limit is no doubt felt very much by those who are affected simply for not being able to keep proper account of their income on account of very small transactions which they do. As, in the majority of cases, they cannot prove their exemption plea, so they get victimised in this direction. Since the minimum limit has been lowered, I find there is great discontent among the people who are taxed in this country. During these times of unprecedented depression, a large number of people who used to earn over Rs. 1,000 per year do not earn even half the amount and are taxed, because they cannot keep proper accounts. Sir, I understand the net income from this tax is not much. It comes to only about 17 lakhs and causes a strong resentment and harassment to the very large number of people the majority of whom are those who are called helpless people in every respect. I, therefore, feel it my duty to support the just cause of the people of my country. With these few words, I support the motion.

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhammadan): Sir, I also rise to support this motion. The motion seeks to take off the income-tax from persons who are having an income of Rs. 1,000 or upwards, but less than Rs. 2,000. I quite agree that this income-tax works as a hardship upon the poorer classes of the people. Only a few minutes back, when the question of the imposition of stamp duty on cheques was raised, we found big guns thundering forth in eloquence. We found men like my Honourable friend, Sir Cowasji Jehangir, Mr. Mody, Diwan Bahadur Mudaliar, and Sir Hari Singh Gour joining hands with my friends like Mr. James and others in condemning the proposal. But now I find many of them are conspicuous by their absence, with the exception of my Honourable friends, Diwan Bahadur Mudaliar and Sir Cowasji Jehangir.

Sir, I think that this imposition of income-tax works as a greater hardship upon the poorer classes of the people, and is a worse evil than the imposition of one anna stamp on cheques which affects the comparatively richer class. I still wait to see whether my Honourable friends will be able to persuade my friends of the European group to vote on this motion, as they voted with them on the motion for the abolition of stamp duty.

**Mr. S. C. Mitra:** They may.

**Mr. Gaya Prasad Singh:** I am glad to hear that. We shall then be able to rescue this House from the reputation which it is steadily gaining that it is the capitalist House, and it caters more for the requirements of big people

[Mr. Gaya Prasad Singh.]

than of the smaller people. When proposals for the removal of taxes on things like kerosene, salt and postcards are defeated in this House, we find that the motion for the abolition of stamp duty on cheques has been successfully carried out. I quite agree that this imposition of stamp duty on cheques was also an evil, but the greater evil from the poor man's point of view is this income-tax which has been imposed upon them.

In England, there is an exemption in the case of persons who are married, and have children, and so on, but in India there is no such exemption. The English law makes that sort of salutary distinction, but the Indian law does not. There is another anomaly which exists in the Indian Income-tax law. Suppose, for instance, the income-tax free limit is Rs. 1,999—I am speaking of the former figure. Up to that limit, a man is exempt from income-tax. If his income exceeds the limit, say, by Rs. 200, then the tax is imposed not on the increased amount, but on the whole income. Now, Sir, I should like to ask, why was this exemption granted in the case of persons having an income of Rs. 2,000 or of Rs. 1,000 as at the present moment? It was granted on the ground that this sum is exactly needed for his personal and family requirements, and, therefore, no tax should be imposed on it. That I can understand to be a case of justice and equity. But when his income exceeds that limit, say, by Rs. 200, then in that case justice and fairness demand that the income-tax should be levied on the excess amount, i.e., Rs. 200 only, and not the whole amount, because the former sum was exempted on the ground that it was required for his personal and family purposes. This is a flaw which ought to have been remedied. With these words, I support the motion of my friend, Mr. S. C. Mitra.

**Mr. K. P. Thampan:** Sir, I have also given notice of an amendment for the same purpose and I have great pleasure to support the motion moved by my friend, Mr. Mitra. Before doing so, I may be permitted to say that some of my friends have the bad habit of unnecessarily abusing each other in the House and thereby alienating their sympathies. There was absolutely no need for my friend who sat down just now to have taken to task the so-called big guns and their thundering, because according to him, they did not sympathise with the cause he had at heart. This way of treating one's brother Members of the Assembly is not conducive to goodwill among us and is not sound. I certainly do not like it and strongly deprecate it. I now come to the subject under discussion.

The minimum of income for the purpose of income-tax was raised in the year 1931 when the country passed through extraordinary and abnormal circumstances and was intended only to meet that emergency. Along with this, several new kinds of taxes were imposed. There was the surcharge on customs and income-tax; the postal rates were increased and other fresh taxes were also imposed. Retrenchments were effected in all Departments and the salaries of Government servants were also reduced by ten per cent. We tided over the situation. Now that the state of affairs has improved and we have been able to balance our Budget, it is highly desirable to take a fresh stock of the situation and introduce remediable measures. Not only that; Government have restored five per cent. in the salary cut. If I remember aright, the Finance Member had distinctly

promised to take into consideration the revision of all these emergency taxes along with the restoration of the salary cut. Inasmuch as at least half the salary cut has been restored, it is time to see in what other respects we can give relief. The raising of the income-tax to the old minimum of Rs. 2,000 is the first item that deserves our consideration: That is the most important affecting as it does a very large number of low paid employees. Sir, you can take from those that have, and not from those that have not. Unfortunately, the policy of the Government has been to take mostly from those who have not. People whose income is only Rs. 2,000 are generally clerks and other people who are engaged in business. They do contribute their mite to the Exchequer of the State by indirect taxation. Their wants and requirements are more than those of the poorer labourers, and as every article of necessities of life are subject to tax in one form or other, they contribute their share according to their means.

If you will permit me, Sir, I will quote here from a letter that I received recently from a friend of mine who is a clerk getting Rs. 85 a month in Madras. It deals with his financial difficulty. He is employed in a workshop and has three small children, only one of whom he has to educate. If he had more grown-up children, his expenses would have been greater. He spends about Rs. 75 every month out of a salary of Rs. 85. He has to pay Rs. 13 for house-rent and has to maintain a widowed mother to whom he sends Rs. 8 a month. We need not go into the details. The rest is all spent on his household expenses, and the balance of Rs. 10 is paid into a chit fund as a provision for the daughter's marriage. His children have not even got any trinkets. If only you will look at such people, with lean and unhealthy appearance, the necessity for giving relief to them will be brought home to you. As my friend, Mr. Gaya Prasad Singh, said, income-tax in India is so framed that it does not give any kind of allowance for personal expenses and other things; it is very rigid in its application. In England, I am told, the income-tax law is very generous and gives credit to several allowances. In the *Sunday Times*, answers to income-tax queries are a regular feature, and in its issue, published on the 19th February, 1933, in answer to certain correspondent, it says:

"A single person with earned income of £125 per annum does not pay tax because he can claim the following allowances: (1) Earned income relief, one-fifth, £25; (2) Personal allowance, £100,—total, £125. Similarly a married man earning £188 pays no tax as he can claim earned income relief, £38, and personal allowance, £150. With one child the limit becomes £250 and with two children £300."

So a man with three children has not got to pay any income-tax even on £300 which is equivalent to about Rs. 4,000, while here, in India, one with a dozen children must pay his tax on an income of Rs. 1,000. In its issue of the previous week, i.e., the 12th February, I find the following instructive and interesting answer:

"Your liability to tax is: Pension, £181 less one-fifth earned income relief (£36) and personal allowance (£145) leaving nil; balance of personal allowance (£5) can be set off against net annual value of house. If you or wife were over 65 on April 5th you can claim age relief, which is further reduction of one-fifth of net annual value of houses."

[Mr. K. P. Thampan.]

Then, in answer to another correspondent, it says:

"Dependent relative allowance can be claimed in respect of relative (1) who is maintained by you, (2) who is incapacitated by old age or infirmity from maintaining himself (unless widowed mother or mother in law), (3) whose income does not exceed ₹50 per annum. In your case you can claim allowance for mother-in-law, but cannot claim it for sister-in-law unless you can prove she is incapacitated by old age or infirmity, in which case you can also claim dependent relative allowance for her. The question of residence does not affect the matter."

That is the law in England. Sir, they are very generous in respect of essential deductions and I cannot see why Government here cannot also adopt that principle and give few allowances to those poor classes of people whose income is below Rs. 2,000, unless Government are bent on penalising and fleecing them. Sir, I have great pleasure in supporting this motion.

**Sir Cowasji Jehangir :** Sir, I think my Honourable friend, Mr. Gaya Prasad Singh, gave a very timely warning to Honourable Members who sit on the Opposition Benches when he reminded us that several of us were not in our places. For the last two days we have had certain experiences which go to show that many of my Honourable friends take their duties rather lightly, and if they have taken the trouble of coming all the way to Delhi, I would remind them that this House is just as pleasant a place as other buildings or houses in this Capital City of Delhi. Now, Sir, as to my Honourable friend's remarks, may I point out that he had better look a little nearer home than refer to the benches on which we sit? For the last three days I have not had the pleasure of seeing his honoured and revered Leader in his place for more than two or three minutes at a time. So much, Sir, for our presence in this House. And I would again repeat that for as many of us as happen to be in Delhi our real place is, if not in this House, at least in the lobby.

**Now, Sir,** coming to the question before us, I have great pleasure in supporting the motion moved by my Honourable friend, Mr. Mitra. I have no doubt that the Honourable the Finance Member desires to get all the money he can, and nobody denies that there was never a time when he needed it more. But after all it is our duty to see that the men who can least afford it should not be burdened with taxation which we can afford to relinquish. The man earning between Rs. 1,000 and Rs. 2,000 was never a wealthy man and today I venture to suggest that he is poorer than ever for a reason which, I am sure, will appeal to this Honourable House. There is only one lucky class of people in India today and they are Government servants. They have only got a five per cent. cut in their salary . . . . .

**The Honourable Sir George Schuster:** What about their income-tax?

**Sir Cowasji Jehangir :** I will come to that. But there are thousands and thousands of working men who, if they have not been sacked, have had a reduction in their salary up to 50 per cent. Now, Mr. President, many of those who are earning Rs. 2,000 today were, three or four years ago, earning much more and paying income-tax on that higher amount. They have come down in the world. It is all they can do to live, to keep body and soul together at salaries ranging between Rs. 1,000 and Rs. 2,000 per year. Therefore, you are putting a tax on men who have already

suffered a considerable loss on account of depression in trade, who were liable all their service to pay income-tax, but who, although their incomes have been reduced, still unfortunately find themselves continuing to pay that tax due to the limit having been lowered to Rs. 1,000. That is my main contention for asking for the sympathy of the Honourable the Finance Member and his Honourable colleagues. Even men of that type who are earning between Rs. 1,000 and Rs. 2,000, when prosperity returns or even when normal conditions prevail in this world, will again be earning more than what they are doing today and will again pay the tax. But they have not come back to the wages which they were earning four or five years ago; when they will at least get to that level, they will again begin to pay income-tax even if the limit is raised to Rs. 2,000. Therefore, I do plead for the men who have been hard hit in more than one direction. Take the petty shop-keeper. Can it be contended that his earnings today are as much as they were three or four years ago? It may be that if we succeeded in raising the limit to Rs. 2,000, they may get off their income-tax, but I am certain that they will only be too anxious to get back to a state of affairs when the law will compel them to pay income-tax due to a rise in their incomes.

Somebody this morning was referring to the *tonga-man* in Delhi, I think. The *tonga-man*, the taxi driver and all of that class are undoubtedly earning much less than they were before. They were accustomed or got accustomed, fortunately or unfortunately, to a higher standard of living. Suddenly they find themselves come down in their earnings; and, on the top of that, they find that, by an amendment of the Act, they still have to continue paying income-tax, while, during the days of their prosperity, men, who were earning the same income as themselves today, were exempt. That is a hard state of affairs, Mr. President, and I do think that they deserve our sympathy. It is all very well for us here to say that all classes of people or most classes of people should come under the thousands of eyes of my Honourable friend, Khan Bahadur J. B. Vachha. But searching eyes as he and his Departments all over India may have, he is not going to get all that he should from this class of people. It is not an easy matter, and what has been pointedly brought to my attention by my Honourable friends, with whom I have discussed this question, is what they call the harassment, the trouble, the petty tyranny to which these men are subjected. I have no facts of my own to relate to this Honourable House, but when you try to collect taxes from men earning between Rs. 1,000 and Rs. 2,000, you will never succeed in doing it, unless you do resort to measures which they will call harassment and which in fact may be harassment and which may be necessary if you are to collect all the taxes that you should. Therefore, if a tax, for its collection in full, requires these measures and these steps which the poor cannot help thinking and believing to be harassment, I would rather wipe out that tax and do without it. You cannot blame, Mr. President, the Income-tax Officers for doing their duty. They have got to get their taxes. It is not the fault of the Income-tax Officers. It is our fault for imposing upon them a duty, which they cannot fulfil to the Government and to this country without harassment in the measures they adopt. Looking at it all round, from all points of view, I think the wisest step we can take is at least to make a bold attempt to get rid of this limit. Then, my Honourable friend, the Finance Member, will naturally turn round and ask us: how is this gap to be made up? The loss is 60 lakhs

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LEGISLATIVE ASSEMBLY.

[25TH MARCH 1933.]

[Sir Cowasji Jehangir.]

of rupees, I believe. The tax comes to 70 lakhs. The savings in the collection charges come to 10 lakhs, making a net loss of 60 lakhs of rupees. I believe that these are correct figures. Well, Sir, I admit, that will leave a deficit of about 18 lakhs. It is not a very big sum, and considering that the Budget is based on a very safe foundation, I would be prepared to take the risk of having a small deficit at the beginning of the year, hoping and fully believing that that deficit will be converted into a surplus as the year goes on. We may be all wrong. If we are, and if times are, worse than we believe they are, or will become worse, then, at this time next year, we shall have to consider the whole position and be prepared perhaps

3 P.M. for a greater extent of taxation. But as things stand today, I earnestly appeal to the Benches opposite that they should agree with us that the demand we make is just and legitimate and shows on our part no sense of irresponsibility, which has become a well-known phrase now, not only on Government Benches, but the infection goes abroad and sometimes we are told in England that the Assembly, of which they have only heard, is likely sometimes to be irresponsible. My answer is, that if we are irresponsible today, we are irresponsible, because there is no responsibility on our shoulders; but I would like my Honourable friends who criticise us in that manner to cast their eyes around other Legislatures in Europe who are supposed to have had much greater experience than ours; and if they can conscientiously say that those Legislatures, with all the experience they have gathered, are more responsible in their actions with regard to finance, with regard to law and order, then, I will stand corrected. But we read in the papers every day of irresponsible actions of Legislatures and peoples in Europe, peoples who have had wide experience of Government and Legislatures. Why always continually blame us, irresponsible people as we are, of behaving irresponsibly? But, Mr. President, my contention is that in this one particular cut that we propose, we are not acting irresponsibly; we are acting responsibly to the constituencies that have sent us here: we are acting on behalf of the poorest of the poor, who are paying income-tax and, therefore, we are making a just demand, a demand that we expect every Honourable Member on this side of the House to support; and, if any of them are absent, we shall see that their constituencies know it. We have got quite accustomed to this sort of irresponsibility on this side of the House by now, and I do trust that it will cease. We have to learn to organise (Mr. Gaya Prasad Singh: "Hear, hear") and, the sooner we begin, the better; and, the sooner my friend Mr. Gaya Prasad Singh, begins to organise also, the better. With these words, I will not only appeal to my Honourable friend, the Finance Member, but I would also appeal to my Honourable friends on this side of the House to support this motion with the full belief, and with the conscientious belief that they will be acting rightly and legitimately. (Cheers.)

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Mr. President, as one who has given notice of a similar amendment, I have great pleasure in supporting the motion moved by my friend, Mr. Mitra. In doing so, I have got two very substantial and irrefutable grounds and I have also got some general grounds to urge.

In the first place, when this taxable minimum was raised from one thousand to two thousand rupees, this Assembly considered the whole question and, by a very large majority, threw out the Government proposal, and it was only with the certification of the Governor General that this has been enacted and the limit has been lowered. That is one very important ground which this Honourable House has got to consider, viz., that this same House has already expressed its opinion very strongly. Then, the other substantial ground is that, in the year 1926, the Taxation Inquiry Committee had gone into the very question of incidence of income-tax and, after careful enquiry, they came to the conclusion that two thousand rupees was the proper minimum for taxation.

Then, coming to the general grounds, as the Honourable Member who spoke just before me, pointed out that the income which the Government derive from lowering this minimum is about 70 lakhs, and, to get this 70 lakhs, they have to spend over 10 lakhs. So I say that the income is not commensurate with the expenses and labour they have to incur to collect this amount. My next ground is this: generally the persons who are supposed to get incomes between one and two thousand do not keep any accounts: they do not have big shops or firms where regular accounts are being maintained: they have usually some petty shops where one generally does not maintain any regular accounts; and so the Department, in their anxiety to collect as much income-tax as possible, try to rope in all sorts and kinds of people. The tax officers ask them to produce their accounts. If they do not produce any accounts, they impose taxation; and, once the taxation is imposed, it is always there. As my Honourable friend says, many people do not have any accounts at all and, once the taxation notice is issued, it is confirmed and thus many innocent people, many people who have not really got any income which would enable them to pay, are also roped in. My next ground is that in India, on account of the joint family system which prevails, it is usually one member who earns and he has to maintain so many dependants, so many brothers and brothers' children and widows and others: he has to maintain the whole family and the income he gets will not be enough to maintain the family, much less to pay any additional income-tax. Again, though the Indian Income-tax Act is framed on the lines of the English Act, yet they do not adopt all the good features of the English Act: The English Act is always humane in its application in the matter of making allowances for the family or for any dependent relations and for children. But the Indian Act does not take any such considerations into account; and not only that. The Indian Income-tax Act does not provide for carrying forward the losses of the previous year. If a person has sustained any loss in the previous year in his petty trade or petty shop, it will not be taken into account in the next year when he gets an income of over a thousand rupees: while, in England, that is not the case. The law enables to carry forward losses for over three years and the assessee has to pay tax only for the balance of the profit, if he has got any.

The Honourable the Finance Member might say that this is not the only occasion when income-tax has been imposed on incomes of Rs. 1,000. As a matter of fact, till the year 1919, the minimum assessable income was only Rs. 1,000, and so my friend will say that we are merely going back to that old taxable income. But, Sir, circumstances have changed considerably and the standard of living of the people has also considerably

[Mr. T. N. Ramakrishna Reddi.]

changed. The wants of the people in 1919, particularly of the poorer classes and the middle classes, were very few; the generality of that class were not giving education to their children in those days; they were mostly dependent on agriculture, on lands, and so on; but, now, on account of the poor yield in agriculture, many people are educating their children, many are depending for their livelihood on earnings from clerkships, from business as petty shopkeepers, and so on, and thus people have to spend more money for the maintenance of their family. I must also point out that people now-a-days have taken to a decent method of living, and, suddenly, when the economic situation in the country has become very bad, it is not possible for them to go back to their old standard of living. Therefore, Sir, it is not a good argument to say that, because, originally the minimum assessable income was Rs. 1,000, we can now safely fix the figure at that.

There is another difficulty in regard to these small earning people. Supposing, a *tongawalla* gets Rs. 3 a day,—and this class of people have also been assessed—and his total income comes to Rs. 90 a month, and, therefore, he has to pay income-tax according to the present minimum assessable income. The question is, does he save all this Rs. 90 a month? Does he have money with which to pay the income-tax at the end of the year? No, because he has to spend these three rupees daily to meet his current expenditure, and, at the end of the month, or at the end of the year, he does not have a single pie, and when the income-tax people come round at the end of the year, he is called upon to pay Rs. 40 or Rs. 50. Now, where does he get that amount from? He has to go to the *bania* and borrow money at a very exorbitant rate of interest, and especially for these small sums I think the rate of interest is somewhere in the neighbourhood of 18 and 20 per cent. In many cases when these small people are not able to repay the loans to the *bania*, interest is accumulated and thus many people become insolvents. In the case of the salaried people, the income-tax is deducted at the source, with the result that they are able somehow to adjust their daily life, but there are many small shopkeepers, bus owners and such people who have to spend away their daily earnings on their necessities of life, with the result that at the end of the year they do not possess anything to meet the demands of the income-tax people.

Then the Honourable the Finance Member might say that the prices have come down, and so a man, who earns a thousand rupees, is in a better position to pay the income-tax. My point is, if the prices have fallen, the wants of the people have increased. Again, the Lee Concessions were given at a time when the prices were very high, but now that these prices have fallen, may I ask why these Lee Concessions should not be withdrawn by Government? If Government really take into consideration the fall in prices, certainly they ought to consider the question of withdrawing the Lee Concessions, and, if they do so, they can get lakhs and lakhs of rupees which will go some considerable way to meet their deficit. Even though the Assembly rejected this lower taxable minimum, the Finance Member then said that he could not surrender the revenue which he would get by lowering this amount. Now, Sir, the prospects are brighter, and if there is a will, the Finance Member can also find a way. As I have pointed out, he has unnecessarily made a provision

of nearly 80 lakhs for paying interest on war loan, even though the British Government have not asked him to pay interest now. Not only has he provided for payment of interest for this year, but he has also provided for December instalment of the previous year. In these days of economic depression, when the whole world is suffering, I do not see why the Finance Member should make this provision. Instead of making this provision, he could have easily accepted this amendment which would have given some relief to hundreds of people. Not only that. We also expect some relief by way of capitation charges, and, if only the Finance Member wants to give relief, he can easily do so. With these few words, I have great pleasure in supporting this motion.

#### STATEMENT OF BUSINESS.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Sir Brojendra Mitter will now make a statement with regard to the course of business next week.

**The Honourable Sir Brojendra Mitter** (Leader of the House): With your permission, Mr. President, I would like to make a further statement regarding the course of business next week. The programme we had hoped to work to has been delayed and some re-arrangement has become necessary. Government must press on with the Finance Bill and we shall resume its discussion on Monday and proceed till the Bill is disposed of in this House. At the same time, Government wish to go, as far as possible, towards meeting a desire, expressed by many Honourable Members, that the discussion on the White Paper should be continuous. We shall, therefore, put down the Demands for Supplementary Grants (which must be disposed of in the current financial year), immediately after the conclusion of the Finance Bill. If both these items of business are disposed of on Monday, the House will have Tuesday, Wednesday and Thursday for the White Paper. If, however, these two items are not finished on Monday, then, I am afraid, that the non-official day for Resolutions on Friday will interrupt the discussion of the White Paper.

#### THE INDIAN FINANCE BILL—contd.

**Raja Bahadur G. Krishnamachariar** (Tanjore cum Trichinopoly: Non-Muhammadan Rural): Sir, I am glad that my friend, Mr. Gaya Prasad Singh, and in a more forceful manner Sir Cowasji Jehangir too referred to the empty Benches which listen to the speeches of Honourable Members, for this reason that when a few weeks ago I spoke upon one of those Bills which is not particularly popular with a certain section of the House, I was twitted with the fact that there were only empty Benches listening to my speech. I hope those gentlemen who said that will now reconsider their position and will apologise to me and say that that is generally the habit that obtains among those Benches and, therefore, it had nothing to do with my speech. I hope that at least hereafter there will not be empty Benches yawning upon Members who desire to speak.



[Raja Bahadur G. Krishnamachariar.]

Sir, I most wholeheartedly support the amendment moved by my friend, Mr. Mitra. The grievances of the income-tax payer with a small income I have repeated over and over again, and I do not want to trouble the House with one more statement regarding the same. But, Sir, there is one thing to which I would particularly invite the attention of this House as well as of the Honourable the Finance Member and it is this. I entirely agree with him when he said in one of his speeches that he made that this was not the time to look back, but that we should keep together all the available resources at our disposal, because we are not yet completely out of the wood. There is one little point that I would submit for due consideration, and that is that, in spite of that caution, in spite of that warning, my Honourable friend has been able to reduce the cut in salaries from ten to five per cent. If you can do that in one respect, why not try and do it in another respect in the case of persons who are not overflowing with resources and who are put to all those troubles that my Honourable friends have been reciting here,—I say if you can do it in respect of one matter, why could you not do it in respect of the other? My Honourable friend, Sir Cowasji Jehangir, rightly said that the Finance Member will turn round and say: "Where shall I get the money from?". I have always been holding that it is no business of mine to find out the resources from which Government could make it up. All that I want is, in the old vernacular saying, to eat the mango. It is no business of mine to count the seed. I want the mangoes to be given to me, so that I might eat them. The rest of it is the business of the person—in charge of the garden—to count the number of seeds, to see how many mangoes have been given and how many have not been given, and how many of them were useful and how many were not useful. Apart from that, I think I might submit one consideration and that is, in such a huge Budget it is not impossible to find out a few lakhs here and a few lakhs there, so as to make up this amount by which the poor man would be greatly benefited and would consequently convey his blessings to the British Government so that the seasons and other conditions may change and the Government may be faced with a better position and that the Finance Member may not be put to any very great difficulty. I am not speaking the language of flattery when I say that it is a cruel fate that has ordained my Honourable friend, the Finance Member, to be in charge of the finances of this country at a time when it is going through such a serious depression. He is by nature a philosopher; he is by nature so temperamentally that, if possible, he would bring in relief to the class of persons for whom I am pleading. I would, therefore, ask him to bring his mind to bear upon the Budget as a whole, and, when he does that, as I said, it is not impossible for him to find out the money. But whether the sources that I have indicated or the sources that I have not indicated are the proper sources or not, it is for him to find them out, but it is for me to ask for relief. In addition to the disadvantages that these small men are labouring under, the fact that the income-tax officer is really the autocrat of the situation at the present moment—those decisions that were quoted in this House when Sir Hari Singh Gour moved his Bill to amend the Income-tax Act would have convinced every one that the man who has got the best of the situation is the Income-tax Officer. As has been pointed out, these small people have not got any account, and, if they are not able to produce any accounts, what does the Act say? The Income-tax Officer shall proceed to assess the man to the best of his information and belief. Now,

he has no information, he has not any belief except his whim and he fixes a certain amount. And I should very much like to see the face of that man who could show to me or who could show to anybody that there is any provision either in the Act or in the decisions that govern the provisions of the Act, that the income so assessed by the Income-tax Officer is revisable by anybody. There is a right of appeal, there is a right of revision, there is a right to demand that the case be referred to the High Court. So far as the right of appeal or revision is concerned, you might just as well wipe out the provisions from the Act, and as for reference to the High Court it is hedged in by so many conditions that it is absolutely impossible for the man to ask for it or to get it. Why for that matter he might fling down the amount of income-tax and be done with it rather than begin by depositing Rs. 100 and then loafing about the office of the Income-tax Commissioner in a Presidency Town for months together, probably only to be told that he had no case which could be referred to the High Court. I would, therefore, submit, first because of the trouble that these men would be put to, next because he really needed relief, and lastly because another class of men have been given a certain amount of relief—I say upon these grounds that the relief that we ask for should be granted to this class of people.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): I was really surprised at the announcement of the Leader of the House that we can have only one day to finish the second reading and the third reading on this Bill and the supplementary grants. Of course, we can raise the entire issue of the White Paper on the occasion of the Finance Bill and, after seven days' discussion, we can divide on the Finance Bill not on the merits of the Bill, but on the White Paper. We should not like to take that line and I hope that the Honourable the Leader of the House will not compel us to follow that course. Let us discuss the Finance Bill in the ordinary manner, and we will try to finish it as early as we can possibly do so.

Now, coming to the amendment under discussion, this morning when I got up,—and I usually get up at about 4 o'clock—there was a man sitting on my bed and he began to argue with me about this income-tax. I immediately began to lecture him and drew all my arguments from philosophy, from economy, and from every other branch of science and tried to convince him that, in these days of depression, when every country is making sacrifices, it is the duty of every individual to make some sacrifice and he, on his part, should also make a sacrifice and be willing to pay this small amount of income-tax into the coffers of the Honourable the Finance Member. He said: "Here is my income. Please prepare my Budget, and, if there be anything left of this, I am willing to pay it in the shape of income-tax or in any other form as my contribution to the State." He said that his income was Rs. 100 a month, and this represents the income of a very respectable gentleman in India. Rs. 100 is a good income and the man who gets it really mixes in good society. On an average, his family consists of himself, his wife, and about four children, and either a sister or mother, or a sister-in-law, or two or three other persons, whom he has got to support. So his family consists of ten persons. The budget for that family was this. House rent Rs. 10 at ten per cent. This is possible in Upper India, it is not possible to get a house on Rs. 10 a month in Bombay or in Calcutta, but at any rate I put down Rs. 10 for house rent.



**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): Not even one room.

**Dr. Ziauddin Ahmad:** I am told by my Honourable friend, Mr. B. V. Jadhav, who is a great authority, being an *ex*-Minister in Bombay, that not even one room can be obtained in Bombay for this amount. So, the case would be hopeless in Bombay. Barber, washerman, water carrier—Rs. 10 a month. The man must have a servant to cook his meals and look after his cow,—Rs. 10. Clothing I put down at Rs. 5 for 10 persons—it is the very minimum that you can put down. Food for 10 persons Rs. 45, medical attendance Rs. 3, then he has three children attending school, Rs. 10, and Rs. 2 is left over for his miscellaneous expenses, his travelling and social expenses. And then he asked me: "Please find money out of this for paying income-tax". I thought over the matter very carefully and tried to divert his attention and take out items here and there to pay income-tax. Then I told him that I would approach the highest authority in India, that is the Finance Member himself and ask him how to balance his Budget, so that it may not be a deficit Budget.

My Honourable friend, the Finance Member, has got methods for approaching the pockets of other people, but these poor people cannot approach the pockets of others without being guilty of moral turpitude. It is very difficult in these hard days for a man whose income is between Rs. 1,000 and Rs. 2,000 to make both ends meet. He has practically to borrow the money for his social expenses, marriage ceremonies, travelling and other things. I appeal to the Honourable the Finance Member to look into the cases of these men in a more generous spirit and see whether these men can really pay the income-tax which is demanded of them. In addition to this direct tax, they are required to pay many indirect taxes.

My Honourable friend, Sir Cowasji Jehangir, has pointed out that the loss of income under this head is a very trifling amount. It is in the neighbourhood of 50 lakhs. What is this amount compared to a total Budget of 124 crores. Now, Sir, bright days are dawning on the world and there are great prospects before us. I was reading a paper from England the other day. They say that the gloomy days are coming to an end and a new era is about to begin. In order to mark this new era, I would appeal to the Honourable the Finance Member to give this as a gift to these poor people who cannot afford to pay this income-tax.

**Pandit Ram Krishna Jha** (Darbhanga *cum* Saran: Non-Muhammadan): He is appeal proof.

**Dr. Ziauddin Ahmad:** My friend says that any appeal to the Honourable the Finance Member is useless. Of course I do not remember any single occasion during the last five years when he cheerfully consented to forgo even one pie of his income, but I would appeal to him on this occasion to show his generosity and let these people have some bare luxuries so that they may not be driven to the necessity of borrowing this money in order to make both ends meet.

**Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, we in this House have luxurious seats to sit upon. We have luxurious fans and we talk of the pay to the high officials. We talk of crores and lakhs and thousands, and so on, but we do not think

of the poor man outside. We find that when we talk of thousands, it means that our pay to the high officials should be retained. When we talk of lakhs, we think of custom houses and the pay of custom officers, but the case of the poor man is absolutely different. When we spread the amount of salary of Rs. 1,000 to Rs. 2,000 to 365 days we find that it comes to Rs. 2-8-0 a day in the case of Rs. 1,000 income; and, it comes to Rs. 4-0-0 when we take the 1,500 income and, when we take Rs. 2,000, it comes to Rs. 5. That is the maximum of the daily income of an individual and that poor man is asked to pay income-tax on this income of Rs. 2-8-0, Rs. 4 and Rs. 5 per day.

From the figures given by Dr. Ziauddin, you will find the suffering that a man earning Rs. 2-8-0 per day is put to. The instance of the *tongawalla*, the motor driver and people of that type has been cited. You will find that they do not earn more than Rs. 2-8-0 or Rs. 4 or Rs. 5 per day. It is very easy for us who drive motor cars to pay Rs. 2-8-0 or Rs. 5 or Rs. 10 for our petrol as we earn enough, but the earning of these poor people with large families is only Rs. 2-8-0 or Rs. 4 or Rs. 5 per day. How could they meet the expenses of illness, education, marriages, deaths, house-rent, municipal taxes, and so on. Their only course is to go to the *bania* or the *mahajan* very often. The House knows what is the condition of indebtedness of the whole country. If the poor cultivators and the labourers cannot make both ends meet, how will the new Constitution work in this country? We have to provide for the budgetary condition not only of the Government, but also of these poor people. These people have got to pay not only towards the income-tax, but they have also to pay indirect taxes like the taxation on salt, kerosene oil and other necessities of life. So I appeal to you, not only as a Member of this House, but also in the name of humanity, to consider the case of these poor people who work from morning till evening.

**Major Nawab Ahmad Nawaz Khan** (Nominated Non-Official): What is the definition of a poor man?

**Mr. Muhammad Azhar Ali:** My definition of a rich man is, my friend sitting over there, and my definition of a poor man is his servant who earns Rs. 2-8-0 a day; and if my friend cannot distinguish between the two, it is not my fault. It will be the fault of every intelligent man who cannot distinguish.

**The Honourable Sir George Schuster:** Sir, this is a very important amendment and I am afraid that it is rather an empty and tired House. But as I regard this as one of the key-points in the debates which we are likely to have on the Budget, I must ask the House to listen to me while I state what I consider to be the essential features of the case to them.

My Honourable friend, Sir Cowasji Jehangir, when he was speaking, took up the point on which a good deal has been said in the course of these discussions as to the irresponsible nature of the Opposition. I am sure, my Honourable friend would at least concede to me that I have never dealt with the Opposition as though it had acted in an irresponsible manner. My whole desire is to convince them on the merits of the case as to what is the right course. I trust, therefore, that they will listen to me on this particular matter, if possible, with open minds. Sir, if I had had the idea put into my head, I should certainly have taken the occasion to sit on the

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bed of my friend, Dr. Ziauddin Ahmad, at 4 o'clock in the morning and take him through my own Expenditure Budget (Laughter), and ask him item by item how he proposed to cut it down, and then, again, take him through the revenue side and ask him item by item whether he thought he could put my estimates up. If I had done so, I am perfectly certain, I should have convinced him that, in the present case, we have not asked for too much money.

Now, Sir, there are a number of practical considerations I want to put before the House in connection with this amendment. The first practical point is this,—and I admit it has nothing in itself to do with the merits of the case, but in connection with what I shall have to say on the merits of the case I think it is of great significance,—if the low limit of income-tax is raised to Rs. 2,000, it will mean throwing out of employment something like one thousand Government employees. Now, that is an important practical consideration. I quite agree, of course, that if the tax is wrong and the tax has got to go, we must face that, but if there is anyone who has doubts on the question. I do submit, it is a very important consideration. It means a tremendous administrative change: and, before the House decides on this matter, I want to ask them to consider very carefully whether they are right in making that change just at the present moment. Now, the general line of argument which has been put before the House is that the tax is not a justifiable burden. Well, now, on that point I have already had occasion, in connection with other motions, to remind the House of certain facts, and I am afraid I must be guilty of repetition, and I go through those points again.

The low limit originally, as Honourable Members know, was Rs. 500 per annum, which was, after a number of years, raised to Rs. 1,000 per annum, and it was only because the general level of prices rose by 200 or 300 per cent. that in 1919 it was decided to raise the low limit to Rs. 2,000. Now, it has been said that this tax falls on the poorest of the poor. But surely those Honourable Members opposite who sympathise with the poor in India, and who often stress the point of the extremely low standard of living which prevails in this country, when they talk like that, they cannot have in mind the people with incomes of Rs. 1,000 to Rs. 2,000 per annum! Sir, in the course of the debate the other day when we were dealing with the general burden of taxation, I had occasion to remind the House of certain estimates of the national income of this country. Those were based—and I do not think any Honourable Member questions the fact—on an estimate of the average income in India at Rs. 80 per head per annum. Well, in relation to that, surely a man getting from Rs. 1,000 to Rs. 2,000 per annum is in a comfortable position. I am not arguing that there are not hard cases. There may be many hard cases, and I am quite certain that the friend who sat on Dr. Ziauddin Ahmad's bed and talked about his own family budget was one of those hard cases. But there are sufficient lawyers in this House to know that well-known saying: "hard cases make bad law"; and it would be very unwise for this House to take its ideas as to what is the proper measure of taxation at present and in times of great emergency, from a consideration of a certain number of exceptional hard cases. Now, since the low limit of income-tax was raised in 1919 from Rs. 1,000 to Rs. 2,000, there has been a tremendous fall in prices, and it is just those people in whose budget the cost of food plays so large a part who have had some benefit out of

the fall in prices. Thus, if a man getting Rs. 100 a month chose to spend Rs. 60 on daily necessities in the past, I do not think it is an unfair estimate to say that he now only has to spend about Rs. 30 per month on those same necessities; and, if that is the case, then surely there must be some margin. I would remind the House also that on an income of Rs. 1,000 a year, the tax is only about Rs. 20 a year, or about Rs. 1-12-0 per month. I know that people, who are living on a very narrow margin, find even a small sum like that difficult to find. But I do think it is an exaggeration to speak of it as a crushing burden. Now, I particularly want to ask the House to consider who are the people that pay this tax. We happen to have, dating from 1917, a fairly close analysis of the classes that actually pay this tax, and I am told by the Income-tax Department that the following percentages give a pretty accurate idea of where the tax falls. No less than about 50 per cent. of those who are assessed between these two limits are the small village money-lenders or village *baniyas* who are also money-lenders. Now, we have heard enough even in the course of this discussion to make it clear that that class of person is not one which commands the sympathies of the House. We know that that class of money-lender is the money-lender who advances a few rupees at a rate of interest which is calculated generally on the basis of an anna or more than one anna per rupee per month. Now, those are the people who really are acting as the greatest burden on the poorer classes of this country (Hear, hear), and I do not believe that the House wishes to exempt people of that kind from any share—any share at all—in the direct taxation which the tax-payers of this country have to bear. (Hear, hear.) Sir, I have the figures to show that 50 per cent. at least of the assesseees between Rs. 1,000 and Rs. 2,000 are that class of individual. Then, another 25 per cent. are salary-earners, about ten per cent. are professional men and 15 per cent. are others—small pensioners.

Now, let us consider the position. At present an agriculturist, however small he is and however poor he is, has to pay a direct return to the State in the form of land revenue. It does not matter how small his income is. He may be making no net profit at all, yet he has to pay that form of direct taxation. All that we are suggesting in this measure is that the man who is not engaged in cultivating the land, but who is engaged in business should pay a direct tax of two per cent., not on his gross receipts, but on his net profits of the year. I maintain that to attack that as an unjustifiable burden is to ignore the whole system that prevails in the country today. And I would put that particularly to my Honourable friend, the Raja Bahadur, because I know that his sympathies lie mainly with the agricultural classes. Does he think it unfair that the small shop-keeper, the small village money-lender should be asked to pay a return of two per cent. on his profits in the form of direct taxation to the State? I would put it to the House to consider this matter very carefully, because, after all, we are at a point where great constitutional changes are impending. If the House were to throw out this measure now, what would it mean? It would mean this,—that they had expressed the opinion that, at the present moment when, everyone admits, we are living in times of extreme emergency and abnormal financial stringency, it is unfair to ask the ordinary small businessman to pay any direct taxation at all. Now, Sir, does the House want to commit itself to that principle? What is proposed in this amendment is perhaps considered by some as a first step in the general relaxation of the burden of taxation. Some of them may think: "Well, let us get this out of the way now,

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and then the way will be clear for reducing the surcharges on income-tax next year." If anyone thinks like that, I submit to him that he is taking a very dangerous line, because the whole basis of the argument depends on the assumption that things are going to get better and not merely that things are going to get better—and I want to develop this point later on—but that there will be a margin available for a substantial reduction of taxation. Now, Sir, if things do not get better and if there is no margin available for reduction of taxation, what will then be the position? The House will have committed itself to the principle that it is unfair to put any levy on the low incomes and then if more money is wanted—and I submit it will have to be raised not all in indirect taxation, for they will have to follow the principle that we followed before of distributing the burden evenly between direct and indirect taxation—if more money is wanted then, this door will be closed. The only door open will be a further increase in the surcharges on the higher incomes. I want every Member of the House to realise that. It is an argument that may appeal to some. Some may like the prospect, others may not. At least all ought to face realities. Now, Sir, I said when I was arguing on this point that it is not merely a case whether things are going to get better, but it is a case whether there is going to be any margin available for the reduction of taxation. In that connection I want to ask Honourable Members to consider what are the tasks that are to be put upon the Central Government by the constitutional plans which are now impending. I feel that in this discussion and in all discussions that are going on today, finance is being considered in an atmosphere of unreality. I tore out the day before yesterday a leader from a well known paper, the *Statesman*, where they were looking at the position from the point of view of Bengal. This is the sort of passage which occurs:

"It is the common assumption—exact calculation being as yet impossible—that Bengal's additional revenue from the jute and income-taxes will be in the neighbourhood of five crores. In general, not only in Bengal, for all the condemnation of the White Paper proposals, mouths are already watering and minds are occupied with visions of what can be done with this new wealth."

Sir, I maintain that that is a most dangerous illusion. Where is this new wealth to come from? Here we are at present just able to balance our Budget, although, as Honourable Members have pointed out and as I myself recognised in my Budget Speech, our imports and, therefore, our customs revenue stand on a level many crores higher than is justified by the position of our exports of merchandise. Yet even with that adventitious assistance we are only just able to balance our Budget. And then we have the constitutional changes impending which mean a vast amount of additional burdens. Let us take a few of the main items. Separation of Burma, which means a loss of about three crores to the Central Budget: Surrender of half the tax on jute to Bengal, a loss of about two crores to the Central Budget: Subventions to the deficit provinces—80 lakhs to Sind and 25 lakhs to Orissa: money for Assam and Bihar, altogether, say another two crores: Setting up a Reserve Bank, a loss of direct receipts of the Government from currency of something like two crores. Add all these items together. I have not got them in my head, but the total of these and other charges will come to about 11 crores. On the top of that, the Central Government are supposed to hand over more than half the income-tax, and everyone in the provinces is thinking how they are going to dispose of the share of the income-tax

which they are going to get. Sir, I am one of those who hope to see the provinces in possession of greater funds; for undoubtedly the beneficial expenditure for which the Provincial Governments are mainly responsible does need much fuller endowment than it has at present. But we have got to face realities and, unless there is going to be an entirely miraculous change of the economic position, there is not the slightest chance of the provinces getting large sums of money unless we are prepared to maintain a very high level of taxation. Now, with that prospect before the country, I would like to ask Honourable Members opposite to consider whether they are wise in cutting out a portion from the structure that we erected 18 months ago. I regard it as a very important part of that structure. I have always explained that that structure, although it looked simple, was very carefully planned so as to distribute the burden evenly, and I maintain that, if the country is in a position where it has to raise tax revenue on the present level, then it is fair that a small proportion of that revenue should be raised in the form of direct taxation from people earning incomes of from Rs. 1,000 to Rs. 2,000 per annum. If you cut that away now, you are going to cut away a very important principle.

Now, Sir, it has been argued that the amount of money involved is only a small one and that, in fact, we are now reckoning on getting a net return of only 60 lakhs. That is quite true, but I think the possibilities of this tax extend very much further than that. It has been very difficult to get the machinery going properly and I think it is quite certain that once the machine is in proper order, we shall very much expand the revenue under this head. There must be hundreds and thousands of people who are now escaping assessment and I regard it as a hopeful source of revenue, a source of revenue that might very well be expected to expand.

Sir, that is the general position. I do not want to weary the House as I may have to repeat many of these arguments again. But the main points are these: that we need the money, that this is a fair measure of taxation which, in relation to other forms of taxation, is not unduly heavy; that it hits a class that would otherwise escape very lightly at present. We are not in a position now to make sacrifices. The position of the world is profoundly uncertain; our own position is particularly uncertain. Our own position looks in a way better than it really is. We have got a very long way to go before we can regard even our present position as a sure position. And when people talk about burdens of taxation, I maintain that no one in India, or very few in India,—perhaps only those who have had occasion recently to travel in other countries,—have any idea of what the condition in the rest of the world is today. People here talk about the burdens of taxation; they do not know in the least to what burdens other countries have been subjected.

I would just like to remind the House of one small instance to show the sort of thing that is going on. Take New Zealand, a country whose finances had always been extremely sound, a country which restricted its capital expenditure to productive purposes and has always maintained a good margin. To what expedients are they reduced now? They have just carried through a conversion scheme of the greater portion of their public debt. By doing that, they have reduced the interest which they have to pay, by something between one and 1½ per cent. How were they able to do it and to what measures did they have to have recourse? They said, everyone who fails to convert, who maintains his original

[Sir George Schuster.]

securities, will be subject to a special tax of 33½ per cent on the interest of those securities. That is how they got their conversion through. My Honourable friend, Dr. Ziauddin, asked me the other day in one of the discussions, why we had taken no further steps as regards conversion schemes, for the reduction of interest. Sir, we have done a great deal in this direction; but we prefer to bring about our reduction of interest by an improvement in the credit of Government and by giving every one who holds Government securities a fair deal and not subjecting the holders of Government securities to special discriminating and penal forms of taxation. But, if we do not keep our Budget sound, if we do not raise what is necessary in the form of taxation to meet our expenditure, then we shall have to have recourse to measures of that kind. That is the position as regards public finance.

Lastly, again to repeat the point that I made at the outset, I want to remind the House of all those serious administrative disturbances which will be brought about if a sudden change is made now. I am sure, if we are to talk in terms of hard cases, that no one would contemplate with equanimity the idea of suddenly confronting a thousand Government employees with the need of dismissal on the ground that the House has rejected this particular measure. Sir, I know that Honourable Members have thought a great deal on this and a good many of them have come to the conclusion that this is the one point on which they must oppose Government. But I hope that the voice of reason is still heard; I hope that even if many came with minds made up on this point they will take account of the arguments which I have raised and will recognise that if we are going to maintain a system of taxation adequate to the needs of the country at present, then it will throw it entirely out of balance and make a gap which we cannot easily fill if this amendment is passed.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Part I-A of Schedule III to the Bill, entry (1) be omitted."

The Assembly divided:

AYES—41.

Abdoola Haroon, Seth Haji.  
Abdul Matin Chaudhury, Mr.  
Abdur Rahim, Sir.  
Azhar Ali, Mr. Muhammad.  
Badi-uz-Zaman, Maulvi.  
Bhuput Sing, Mr.  
Biswas, Mr. C. C.  
Chinoy, Mr. Rahimtoola M.  
Das, Mr. B.  
Dutt, Mr. Amar Nath.  
Ghuznavi, Mr. A. H.  
Gour, Sir Hari Singh.  
Ibrahim Ali Khan, Lieut. Nawab  
Muhammad.  
Jadhav, Mr. B. V.  
Jehangir, Sir Cowasji.  
Jha, Pandit Ram Krishna.  
Jog, Mr. S. G.  
Kyaw Myint, U  
Lahiri Chaudhury, Mr. D. K.  
Lalchand Navalrai, Mr.  
Maswood Ahmad, Mr. M.  
Mitra, Mr. S. C.

Mody, Mr. H. P.  
Muazzam Sahib Bahadur, Mr.  
Muhammad.  
Mudaliar, Diwan Bahadur A. Rama-  
swami.  
Murtuza Saheb Bahadur, Maulvi  
Sayyid.  
Neogy, Mr. K. C.  
Parma Nand, Bhai.  
Phookun, Mr. T. R.  
Ranga Iyer, Mr. C. S.  
Reddi, Mr. T. N. Ramakrishna.  
Roy, Rai Bahadur Sukhraj.  
Sadiq Hasan, Shaikh.  
Sarda, Diwan Bahadur Harbilas.  
Sen, Pandit Satyendra Nath.  
Singh, Mr. Gaya Prasad.  
Sitaramaraju, Mr. B.  
Suhrawardy, Sir Abdulla-al-Māmūn.  
Thampan, Mr. K. P.  
Uppi Saheb Bahadur, Mr.  
Ziauddin Ahmad, Dr.

NOES—56.

Abdul Hye, Khan Bahadur Abul  
Hasnat Muhammad.  
Acott, Mr. A. S. V.  
Ahmad Nawaz Khan, Major Nawab.  
Allah Baksh Khan Tiwana, Khan  
Bahadur Malik.  
Amir Hussain, Khan Bahadur Saiyid.  
Anklesaria, Mr. N. N.  
Bajpai, Mr. G. S.  
Bhore, The Honourable Sir Joseph.  
Clow, Mr. A. G.  
Dalal, Dr. R. D.  
DeSouza, Dr. F. X.  
Dutt, Mr. G. S.  
Dutt, Mr. P. C.  
Fox, Mr. H. B.  
Gidney, Lieut.-Colonel Sir Henry.  
Grant, Mr. C. S.  
Gwynne, Mr. C. W.  
Haig, The Honourable Sir Harry.  
Hezlett, Mr. J.  
Hudson, Sir Leslie.  
Ishwarsingji, Nawab Naharsingji.  
Ismail Ali Khan, Kunwar Hajee.  
Ismail Khan, Haji Chaudhury  
Muhammad.  
James, Mr. F. E.  
Jawahar Singh, Sardar Bahadur  
Sardar.  
Joshi, Mr. N. M.  
Lal Chand, Hony. Captain Rao  
Bahadur Chaudhri.

Leach, Mr. A. G.  
Mackenzie, Mr. R. T. H.  
Metcalf, Mr. H. A. F.  
Millar, Mr. E. S.  
Misra, Mr. B. N.  
Mitchell, Mr. D. G.  
Mitter, The Honourable Sir  
Brojendra.  
Mujumdar, Sardar G. N.  
Mukherjee, Rai Bahadur S. C.  
Nihal Singh, Sardar.  
Noyce, The Honourable Sir Frank.  
O'Sullivan, Mr. D. N.  
Rafiuddin Ahmad, Khan Bahadur  
Maulvi.  
Raisman, Mr. A.  
Rajah, Rao Bahadur M. C.  
Rastogi, Mr. Badri Lal.  
Rau, Mr. P. R.  
Ryan, Sir Thomas.  
Sarma, Mr. R. S.  
Schuster, The Honourable Sir George.  
Scott, Mr. J. Ramsay.  
Seaman, Mr. C. K.  
Sher Muhammad Khan Gakhar,  
Captain.  
Singh, Kumar, Gupteshwar Prasad.  
Singh, Mr. Pradyumna Prashad.  
Smith, Mr. R.  
Tottenham, Mr. G. R. F.  
Vachha, Khan Bahadur J. B.  
Yamin Khan, Mr. Muhammad.

The motion was negatived.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): It is always a very difficult matter for the Chair to decide in what order amendments relating to the Income-tax Schedule have to be taken. The reason for taking up the amendment that stood in the name of Mr. S. C. Mitra first was that it raised a definite issue in that he wanted to bring about a change in the taxable minimum. The Chair thinks that it will suit the convenience of the House if the next amendment, No. 92, which stands in the name of Mr. Amar Nath Dutt, is taken now, because the Honourable Member seeks to give a whole scheme in its entirety which will enable the House to judge the exact financial result of the amendment, if it is carried. If that amendment is accepted by the House, then all the other amendments go out of order, but if that amendment is rejected, then Mr. Jog and certain other Honourable Members who want to vary slightly item No. (1) will be called upon to move their amendments. The Chair thinks that it will not lead to any technical difficulties.

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

"That for all the entries in Part I-A of Schedule III to the Bill, the following be substituted:

- '(1) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000—  
Four pies in the rupee.
- (2) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000—  
Six pies in the rupee.

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LEGISLATIVE ASSEMBLY.

[25TH MARCH 1933.]

[Mr. Amar Nath Dutt.]

- (3) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000—  
Nine pies in the rupee.
- (4) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000—  
One anna in the rupee.
- (5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000—  
One anna and four pies in the rupee.
- (6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000—  
One anna and seven pies in the rupee.
- (7) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000—  
One anna and eleven pies in the rupee.
- (8) When the total income is Rs. 1,00,000 or upwards—Two annas and one pie in the rupee."

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) vacated the Chair which was occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Sir, Honourable Members will find that there is a difference of only one pie from what the Government want for income over one lakh of rupees. My No. (8) is No. (9) of the Schedule of the Honourable the Finance Member and there we find "Two annas and two pies in the rupee" while I have made it "Two annas and one pie in the rupee", that is, only one pie less. However rich we poor men may consider these people with income of one lakh of rupees—I shall begin from the last item. To deduct more than one-eighth of their income for income-tax, I think, is too high and can be hardly justified except in cases of great emergencies. Sir, it is to the rich people that we owe . . . . .

**The Honourable Sir George Schuster:** It might perhaps be convenient to the House, Sir, if I were to tell them what is involved in the combined effect of this amendment. According to our calculation, the total loss would be 3.20 crores.

**Mr. Amar Nath Dutt:** Only that much! The deficit for all the items of my amendment is only 320 lakhs. It is a tax on all except those whose income is below Rs. 2,000, as my amendment does not touch them. I am surprised that the Honourable the Finance Member, who deals with hundreds of crores, should grudge this small amount of relief. Sir, curtailment of one item of extravagant expenditure can at once give us three crores. Supposing if the Lee Concession is done away with, we can get 2½ crores. Why should not these be withdrawn now as those concessions which were necessitated at a time of high prices? But at present price has gone down considerably. I think the withdrawal of Lee Concessions will enable the Finance Member to give the needed relief to the people in India.

Then there is that big question of the army expenditure. Here you can easily bring down the expenditure by another 20 crores. The proposition has been enunciated more than once on the floor of this House that the military expenditure of a country should not exceed more than one-fifth of its total revenue. That principle was accepted at the Brussels Conference where the accredited representative of the Government of India was also present and agreed to it. But let us see what would be 20 per cent. or 1/5th of the revenues of India. It would not be more than 20 crores.

**An Honourable Member:** What are the revenues of India?

**Mr. Amar Nath Dutt:** That being so, I beg to submit that it is the bounden duty of every Administration, it is the bounden duty of those who are in charge of the finances of this unfortunate country, to bring down their expenditure to a level which would be according to the principle accepted by the accredited representatives of their own Government. If they want to know how to do it, I shall be able to give the Government at least half a dozen experts on the floor of this House to advise them; but will they accept that advice? No; they will not. They will simply say: "It is not possible: we have tried our best and the best that can be done has been done in this case and we cannot accept further reduction of expenditure." I submit that that is hardly fair to the representatives of the people in this House because if we are to assent to any taxation we must be convinced of the reasonableness of the taxation and that the country is able to bear that taxation. If they do not want to hear us what was the necessity of dragging us from our homes to this far off Delhi, and then say: "We have decided all these things: what you ask for we cannot give", as if these people came here like so many beggars to ask for some money from them for their own countrymen? That is not the case. The present Constitution gave us the power to advise the Government when they commit blunders; and this is one of the greatest blunders they commit when they tax people beyond their capacity to bear it. I was talking of military expenditure. I may also remind the House that at one stroke you can reduce the expenditure, keeping intact all the paraphernalia you have got, by at least 11 crores. No less than 65,000 British soldiers are employed in India. Sir, I think Indian soldiers are capable of defending India from foreign aggression quite as well as the British soldiers. The Indian soldier fights for his own home and hearth and for peace and order of the land of his birth; while the British soldier is more or less mercenary in the sense that they can have no such sentiment for the progress of India. If you replace 55,000 of these 65,000 British soldiers by Indians, you reduce at once the expenditure by 11 crores; for we know that the cost of a British soldier is about 2,700 rupees per year while the cost of an Indian soldier is only about 700 rupees. That being so, the difference is about 2,000 rupees. If you do away with these 55,000 British soldiers and keep only 10,000 British soldiers and replace the rest by 55,000 Indian soldiers, you can save 11 crores; out of that amount, the Finance Member will get his 320 lakhs; and he will also be able to give something to the provinces for their nation-building departments. There are several ways by which these things can be done. If I were to enumerate one by one the various ways in which it can be done without any expert knowledge, without any knowledge (Laughter) of the figures—I may say that we on this side of the House appear to the other side as if we have no knowledge for governing our own country—we know that this poor country can be governed for much less a sum than is yearly voted in this House and that we can also, if we were vested with responsibility in the matter, find out the means how to do it; but even without being vested with responsibility, if we are asked to advise, we can advise them if they would only care to accept our advice and would not treat it with contempt. Bearing all this in mind, we have no alternative but to put our case before this House.

My friend, when moving his last amendment about taxing poor people, whose income is below 2,000 rupees, has said all that could be said, and I will not reiterate those arguments; but in this connection I would also respectfully submit that apart from the sum that is taken away from these poor men of their hard earned money, there is the inevitable harassment consequent upon assessment. It is all very well to say from here that there



[Mr. Amar Nath Dutt.]

is no harassment and that due consideration is shown to every one; but gentlemen who have any experience of the doings of subordinate officers will bear me out that even the highest in the land is not exempt from harassment from the ill-paid lower subordinate officers of the Government. We find one atmosphere prevailing in this House and in Imperial Delhi: here we find beginning from His Excellency the Viceroy and all the Cabinet Ministers, they are all gentlemen with whom we can talk equally and they also try to get information and knowledge from us, for what it is worth and they talk to us freely; but if we go down a little lower we do not find the same cordiality between the rulers and the ruled. Sir, you cannot form any idea as to how these lower subordinates behave with highly respectable people. They are at times very shabbily treated by these underlings. I can quote many instances, and it will take many days and weeks to narrate them. There is also another danger, Sir. We cannot say anything against these people outside the sacred precincts of this Assembly Chamber. If we say anything against these lower paid officers, then down come the Government with the machinery at their disposal and send the man who makes such statements, however true they may be, to jail. I make all these statements merely to bring to the notice of the Government how things happen in the country, because the Treasury Benches do not know the actual state of things.

The officers sometimes pitch their camps in far off villages, specially in settlement cases, somewhere in a shady grove where no food or water could be had. I know of many settlement cases which were dismissed, because many people could not reach such camps in time. Cases are postponed from week to week. If an unfortunate man happens to go to the nearest confectioner's shop, when the settlement case is called, to get some food to satisfy his hunger, the case is disposed of in his absence. This practice of hearing cases in camp is also resorted to in some cases by Income-tax Officers, which entails a good deal of hardship, as in settlement cases, and assessee's convenience should not be overlooked when cases are decided in camp like the settlement officers, for these settlement officers think themselves above all laws, and trifle with the rights of poor ryots and there is no remedy against their tyranny. But while it may be said that settlement operations have of necessity to be carried on in camps, I do not see any necessity of income-tax assessment being made in camps, which means great inconvenience to the assessee. I urge that people, with less than Rs. 2,000 income, should be exempted from income-tax as suggested in my amendment. I submit that if we are asked to advise the Government, I could give them sound advice . . . . .

**An Honourable Member:** Nobody has asked for your advice.

**Mr. Amar Nath Dutt:** In that case, we can only voice for the grievances of the poor people and say that we cannot give our assent to the income-tax proposals made by Government. Sir, to ask us to assent to such exorbitant rates of income-tax is really very hard. There is also the sword of Damocles hanging over our heads,—I mean those surcharges, and with the surcharge the income-tax is 1½th more than shown in the schedule. If you want to have surcharges also, it will work a great hardship. Therefore, I trust, the House will accept my amendment.

**Mr. Deputy President** (Mr. Abdul Matin Chaudhury): Motion moved:

"That for all the entries in Part I-A of Schedule III to the Bill, the following be substituted:

- (1) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000—  
Four pies in the rupee.
- (2) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000—  
Six pies in the rupee.
- (3) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000—  
Nine pies in the rupee.
- (4) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000—  
One anna in the rupee.
- (5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000—  
One anna and four pies in the rupee.
- (6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000—  
One anna and seven pies in the rupee.
- (7) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000—  
One anna and eleven pies in the rupee.
- (8) When the total income is Rs. 1,00,000 or upwards—Two annas and one pie in the rupee."

**The Honourable Sir George Schuster:** Sir, I know my Honourable friend, who moved this amendment, pretty well now, and his attitude is a matter of constant surprise to me. I realise that he is a man of very wide sympathies, but it is a great surprise to me to learn that his sympathies extend even to people with incomes of one lakh and upwards. I hardly think that my Honourable friend or the House will expect much of an argument from me on this amendment after the general exposition of the financial position which I gave in connection with the last amendment. I think the mere fact that this amendment would involve a loss of about 320 lakhs is sufficient answer, and, therefore, Sir, I must oppose this amendment.

**Mr. Deputy President** (Mr. Abdul Matin Chaudhury): The question is:

"That for all the entries in Part I-A of Schedule III to the Bill, the following be substituted:

- (1) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000—  
Four pies in the rupee.
- (2) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000—  
Six pies in the rupee.
- (3) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000—  
Nine pies in the rupee.
- (4) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000—  
One anna in the rupee.
- (5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000—  
One anna and four pies in the rupee.
- (6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000—  
One anna and seven pies in the rupee.
- (7) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000—  
One anna and eleven pies in the rupee.
- (8) When the total income is Rs. 1,00,000 or upwards—Two annas and one pie in the rupee."

The motion was negatived.



**Mr. S. G. Jog** (Berar Representative): Sir, I beg to move:

"That in Part I-A of Schedule III to the Bill, for entry (1) the following be substituted:

(1) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000—  
Four pies in the rupee."

Up till now we thought that the new imposition of additional taxation would only be temporary and that we would go back very soon to the old days when the assessee were enjoying relief up to Rs. 2,000. The Honourable the Finance Member made a fighting speech in his reply. He gave us a long homily about sound finance and he hinted that in the near future there was no chance of relief for these poor men and that the additional taxation would form part of a permanent programme. He said that people getting incomes between Rs. 1,000 and Rs. 2,000 should contribute to the general finances and that it was not good policy that this class of people should be exempted from this direct taxation. He gave us the instance of New Zealand and other countries where the finances are not sound. He said that a conversion scheme was carried through there. But has my Honourable friend taken into account the position of the Government servants in other countries? Are Government servants in those countries getting the same fat pay as they are getting in India? If he quotes the instances of other countries in one respect, is he not bound to follow them in other respects also? In his programme the Finance Member has made one mistake and he has unnecessarily landed himself in trouble by showing his solicitude for the services. If the emergency did exist, there was absolutely no reason for making a slight change in some portion of the programme by a restoration of the cut to the extent of five per cent. By showing his attitude of partiality towards a particular class, he has alienated the sympathies of other people. I must make it clear that I have no grudge whatsoever towards the services, towards the people getting small pay, but when the Finance Member thought it fit to give some relief to the services, was he not bound also to attend to the conveniences of the other middle class people, people getting incomes between Rs. 1,000 and Rs. 2,000?

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

If he wanted to maintain the necessity of sound finance, and if the emergency has not ceased, I think he should have meted out equal treatment to all, and if he had maintained the whole programme intact, this side of the House would not have taken objection. But having shown partiality towards one particular class, when he says that the emergency still exists, there is absolutely no reason why he should have had recourse to the restoration of the cut by five per cent. Having done that, the Finance Member has shown some sympathy towards the service class, and I insist upon him that, at the same time, similar sympathy on grounds of equity, or call it compromise or accommodation, should be shown to the other classes. I know the effect of lowering down of the income-tax limit so far as my province is concerned, and I think it is the same in the case of the other provinces also—the lowering down of the limit has hit the middle class people, small traders and other people very hard. You have reduced the taxable limit to Rs. 1,000, but in actual experience people getting incomes of even Rs. 600 or Rs. 700 have been brought under the operation of the Act and they have also been

taxed. As has been pointed out by some of my Honourable friends, these people do not keep any accounts, and if the income-tax officer says: "My information is that your income is Rs. 1,000 and you are liable to income-tax", the poor man cannot but pay the tax. If he goes in for review or revision, he has got to spend another Rs. 15 or Rs. 20 for legal help and for moving the Income-tax Department, with the result that probably in no case is relief given. So, ultimately the poor man has got to submit to the summary decision of the Income-tax Officer. The Income-tax Officer in his enthusiasm does not always take a view lenient to the assessee, because he is interested in seeing that income-tax collections are satisfactory to Government.

It is no doubt true that the Finance Member has presented a very alarming picture before the House; he said that if this tax was reduced or if the limit was reduced, it might be difficult to give subvention to this province and to that, which were in a deficit. But if he thinks that it is necessary to have some direct taxation, some sacrifice from this class of people, is it not necessary that the higher service people should also come forward with a spirit of sacrifice in this national calamity? But they want to enjoy all the rights and privileges, and, at the same time, they want all these small people on whom there is already such a heavy burden—they have to educate their children, educational charges have been increased, the postal charges have been increased, railway charges have been increased, and another thing is that there is a lot of unemployment, many people have been retrenched from the services, and that is also a burden on people getting these small incomes—in spite of that, the Finance Member wants that these small traders, these small classes of people should sacrifice and contribute towards the country's finances, but, at the same time he does not say that the people who are getting more pay and are enjoying all the luxuries and amenities of life should come forward and show a spirit of sacrifice. I submit that if he expects any sympathy from us, it is his duty to set an example by showing a spirit of sacrifice. Instead of doing that, he has hit the other people hard.

My Honourable friend has asked us to think of the realities. I for one can say that I am in touch with realities much more than the Finance Member himself. I know the position of the middle class families. I know the condition of the middle class people, what sort of difficult times they are going through and how difficult they find it to pay this income-tax and how they are driven to borrow money and how many families have been ruined. Nothing has made the Government more unpopular in these days than this lowering of the taxable minimum. However, looking to the practical side of the question, we also see the difficulty in which the Finance Member finds himself and I think he would do well to show a spirit of compromise, adjustment and accommodation and, it is in that light, I have placed this constructive suggestion before this House. While we realise the difficulty of the Government, Government should also realise the difficulty in which these poor tax-payers find themselves. While you give relief to your services in the matter of the cut in pay, you must also raise the minimum and I have suggested that incomes below Rs. 1,500 should be exempted. I have not worked out exactly as to what would be the deficit under the arrangement I have suggested, but I submit, in all equity, fairness and justice to the interests of these poor people, you should agree to this compromise which I have suggested. I must congratulate my Honourable friend, Sir Cowasji Jehangir, who, although he is a capitalist, has the interests of the poor at

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[Mr. S. G. Jog.]

heart. He made a strong appeal on behalf of these men, and although the House turned down the previous amendment, I hope they will accept the compromise which I have suggested. Although Government were not able to give full relief, I hope they will at least give partial relief as suggested by my amendment. It is also a matter of great satisfaction to me that my friend, Mr. James, is imbued with a desire to help the cause of these poor men and I am glad to find that he has also given notice of a similar amendment. I hope his Group will follow into the same lobby with me.

As regards the condition of the finances, it is only yesterday that I read in the paper about the action proposed to be taken in the United States. I think the Finance Member knows about it. He has made provision in his Budget for the payment of war debts. As a shrewd financier and a shrewd man, he thought it right to make this provision for war debts, but this is what I find in the papers. I will read the whole thing for the information of the House:

"Notwithstanding that President Roosevelt proposes to ask Congress to appoint a War Debt Committee to advise him how to deal with foreign debts, it is stated that the President of the United States is seeking power to defer payment due on June 15."

If this comes to pass, then India also requires some relief and this question of war debts will be solved very considerably and will give a good deal of margin in the financial programme. With these words, I again appeal to the Government to accept my amendment. If they do not, they must be prepared to face the consequences and, if they lose this opportunity, they will unnecessarily alienate the sympathies of this side of the House and if they do not yield in this case, it will show an attitude of adamantness on their part. With these words, I move my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in Part I-A of Schedule III to the Bill, for entry (1) the following be substituted:

'(1) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000—Four pies in the rupee'."

The Assembly then adjourned till Eleven of the Clock on Monday, the 27th March, 1933.

## LEGISLATIVE ASSEMBLY.

Monday, 27th March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

## MEMBER SWORN.

Major-General Sir John Megaw, K.C.I.E., K.H.P., M.L.A. (Government of India: Nominated Official).

## QUESTIONS AND ANSWERS.

## ALLEGED LATHI CHARGE BY THE POLICE ON HAJ PILGRIMS IN BOMBAY.

923. \***Khan Bahadur Haji Wajihuddin**: Is it a fact that *S. S. Akbar* has recently carried Indian pilgrims to the Hedjaz and that at the time of embarkation at the port, the Bombay police made a *lathi* charge upon the unarmed outgoing pilgrims? Will Government be pleased to state the facts and the action they propose to take to safeguard the interests of intending pilgrims in the future?

**The Honourable Sir Harry Haig**: With your permission, Sir, I should like to answer questions Nos. 923, 924 and 958 together. In view of the interest taken in the Press and elsewhere in this matter, I wish to give at some length the facts ascertained through the Government of Bombay. The *S. S. Akbar* was due to sail on the 2nd March and in accordance with the practice which experience has shown to be convenient to all parties, pilgrims were allowed to embark their heavy luggage on the 1st March. On this occasion there was an unusually large crowd and during the rush from the wharf one old pilgrim was thrown down by the crowd and was in danger of being trampled to death. The police rescued him by pushing back the crowd a little, but they did not use their *lathis*.

On the following day the embarkation of pilgrims began and all the arrangements were carried out according to plan. When the pilgrims had been got on board there was a rush for the gangways by coolies and pedlars and also by visitors who had friends on board. The police formed a cordon round the gangways and maintained that cordon, with difficulty, until the ship sailed. They did not use their *lathis* for this or any other purpose.

The Commissioner of Police, on hearing of the allegations of harsh treatment from the police at once made an enquiry from the four members of the Haj Committee who, with commendable public spirit, assist pilgrims at the Port. These four members have reported in writing that they witnessed no such incident and that the behaviour of the police was

unexceptionable. The arrangements for the embarkation of pilgrims are under the personal supervision of the Deputy Commissioner, Port Police, who is assisted by the Port Health Officer and his staff and also by the members of the Haj Committee, Bombay. Members of this House will recognise that the task of embarking pilgrims who are for the most part inexperienced and excitable travellers is a difficult one and I can only regret that untrue allegations of harsh conduct on the part of the police should have caused distress to those who are specially interested in the welfare of Haj pilgrims. I can assure the House that the port authorities are doing all that is possible to maintain efficient embarkation arrangements for the pilgrims.

**Khan Bahadur Haji Wajihuddin:** May I know, Sir, the names of those members of the Haj Committee who were present at the port?

**The Honourable Sir Harry Haig:** I have got them somewhere, but I do not know if I can get them out of my papers immediately. I have got their letters in my file and I shall be very glad to show them to the Honourable Member afterwards.

**Mr. M. Maswood Ahmad:** Is it a fact that big *lathis* which are used to disperse the members of the non-co-operation movement were used on that day in Bombay?

**The Honourable Sir Harry Haig:** I have specifically stated that *lathis* were not used.

**Mr. M. Maswood Ahmad:** Is it a fact that the police had those particular *lathis* when they were deputed to look after the Haj pilgrims?

**The Honourable Sir Harry Haig:** I have no doubt that the police carry *lathis*.

**Mr. Gaya Prasad Singh:** Do I understand that the *lathi* charge administered on the Muslim crowd on that day . . . .

**The Honourable Sir Harry Haig:** May I interrupt the Honourable Member and say that no *lathi* charge was administered on that day. The Honourable Member appears not to have listened to my answer.

**Mr. Gaya Prasad Singh:** Do I understand the Honourable Member to say that a *lathi* charge was not administered?

**The Honourable Sir Harry Haig:** That was very distinctly the purport of my answer.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Honourable Members will first listen to the answer before asking supplementary questions.

**Mr. Gaya Prasad Singh:** I would ask the Honourable Member to speak loudly, because it is very difficult for us to catch what some of the Honourable Members on the Treasury Benches say.

**Mr. Lalchand Navalrai:** May I know if the members of the Haj Committee who were there had been specifically asked with regard to this *lathi* charge and if they have stated that no *lathi* charge was administered?

**The Honourable Sir Harry Haig:** Yes, Sir. All the members of the Haj Committee were asked to give the facts which came under their notice in writing.

**Dr. Ziauddin Ahmad:** Will the Honourable Member ask the members of the Haj Committee to issue very quickly a formal communiqué in their own names so that we may know exactly how matters stand?

**The Honourable Sir Harry Haig:** That, Sir, is a matter for the Bombay Government. I will certainly make the suggestion to the Bombay Government.

**Mr. M. Maswood Ahmad:** Is it a fact that the time for embarkation on the ship was 2 P.M., but up to 3-30 P.M., the gate was not opened and that the pilgrims on the dock were waiting for eight hours?

**The Honourable Sir Harry Haig:** No, Sir. I do not think those are the facts at all. But if the Honourable Member will give me notice, I will give him a specific answer to that question.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to arrange things in such a manner that at the time of the embarkation there should be no rush at all? It appears that there is perhaps only one ladder to go up, but if there had been two or three ladders there would not have been any rush. Will the Honourable Member give instructions to that effect?

**The Honourable Sir Harry Haig:** I think anybody who is accustomed to sea voyages in which a number of passengers have to be embarked will realise that there is apt to be a considerable rush. Any Honourable Member, for instance, who has crossed the English Channel will realise that there is a considerable rush when passengers are going on board and disembarking.

**Mr. Lalchand Navalrai:** I have myself done it in the English Channel and I have seen that the arrangements are very satisfactory and that there is no rush.

**Mr. Uppi Saheb Bahadur:** May I ask, Sir, why the Government do not prosecute those persons who publish these alarming sensational false reports?

**The Honourable Sir Harry Haig:** That, again, is a matter, I think, for the Government of Bombay to decide.

**Dr. Ziauddin Ahmad:** Does it not show a lack of administration in forming the queues? Will it not be better if queues are formed in the open space before the pilgrims are allowed to embark on board the ship?

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[27TH MARCH 1933.]

**The Honourable Sir Harry Haig:** The point is that these passengers are not experienced travellers. They are not accustomed to going on board the ship and no doubt they are very anxious to get on board and there is bound to be a certain amount of excitement and rush.

**Dr. Ziauddin Ahmad:** Are the police intended merely to use *lathi* charges? Are they not supposed to teach people how to form queues and how to march peacefully and in order?

**The Honourable Sir Harry Haig:** I do not know why my Honourable friend should assume that the police do not do everything they can to facilitate the embarkation. I have got here a letter from a member of the Haj Committee in which he speaks in the highest terms of the work of the police and of the assistance they give in the orderly embarkation of the pilgrims.

(At this stage Shaikh Sadiq Hasan rose to his feet.)

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Mr. Sadiq Hasan.

**Dr. Ziauddin Ahmad:** May I ask . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. Honourable Members, even when they are asking questions, must begin to ask a question only after their names have been called by the Chair.

**Shaikh Sadiq Hasan:** May I inquire if the gentleman who speaks so highly of the police is a nominated member of the Haj Committee?

**The Honourable Sir Harry Haig:** I have no information as to how the members of the Haj Committee are appointed.

**Mr. M. Maswood Ahmad:** Is it a fact that this inquiry was made through the police and that on that inquiry the Honourable Member replied that there was no *lathi* charge? Was any independent inquiry made?

**The Honourable Sir Harry Haig:** An inquiry was made from the persons who were most likely to be able to give a correct account, namely, members of the Haj Committee, whose duty it is to supervise and superintend these matters.

**Dr. Ziauddin Ahmad:** My main question was not answered. I asked, is the police expected to teach the pilgrims how to form queues and how to go about in order, and if the men are not accustomed to this, is it not the duty of the police to teach them these things?

**The Honourable Sir Harry Haig:** Do I understand that the Honourable Member suggests that there should be classes, similar to University classes, for Haj pilgrims, conducted by the police?

**Dr. Ziauddin Ahmad:** May I suggest that the teaching should not be by means of lecturing alone, because by lecturing people do not learn anything. (Laughter.)

**The Honourable Sir Harry Haig:** The police can demonstrate in a practical way, and no doubt they do it.

**Dr. Ziauddin Ahmad:** Is it not a fact that the police in England teach the public how to march in order?

**The Honourable Sir Harry Haig:** I am not aware of ever having had such a lesson given to me by the police except by practical demonstration at the time.

**Mr. C. S. Ranga Iyer:** Will printed instructions be henceforward issued to the pilgrims so that they may not make the mistake that they were supposed to have made on the present occasion?

**The Honourable Sir Harry Haig:** I do not think that that would really help in a practical way. It is not a question of giving either printed or verbal instructions to a crowd. If a crowd is in a hurry and excited, it will rush.

**Mr. M. Maswood Ahmad:** Is it a fact that there were two doors for entering the ship and it had been announced that people should enter through one door and the pilgrims reached there very early, but that afterwards, instead of that door being opened, some back door was opened, and that that was the reason for the rush and all these disturbances?

**The Honourable Sir Harry Haig:** That is a new point to me. As I have said before, if the Honourable Member wishes to raise any new specific points and will give me notice, I shall endeavour to give him an answer.

#### ALLEGED LATHI CHARGE BY THE POLICE ON HAJ PILGRIMS IN BOMBAY.

†924. \*Maulvi Sayyid Murtuza Saheb Bahadur: (a) Has the attention of Government been drawn to a communication that appeared in the *Bombay Chronicle* of the 4th March, 1933, under the heading "Cane charge by the Police on Haj pilgrims"?

(b) Is it a fact that Haj pilgrims, while boarding the *S. S. Akbar*, were charged with canes on the 2nd March?

(c) Is it a fact that the police took to caning when they were unprovoked by the pilgrims?

(d) Is it a fact that the pilgrims were panic-stricken and were confused?

(e) Are Government aware that this has created much sensation among the Muslims?

(f) Is it a fact that the Muslims of Bombay have sent a telegram to His Excellency the Viceroy praying for an impartial inquiry into the matter, so that such things may not recur? If so, have the Government of India taken any action thereon? If not, do they propose to take any action now?

† For answer to this question, see answer to question No. 923.

ALLEGATIONS IN REGARD TO PUNISHMENTS, ETC., METED OUT TO POLITICAL PRISONERS IN THE HARIPUR CENTRAL JAIL.

925. \*Mr. M. Maswood Ahmad: (a) Has the attention of Government been drawn to a letter written by Malik Khuda Bakhsh Khan, M.L.C., to the Inspector General of Prisons, North-West Frontier Province, disclosing serious allegations in regard to punishments, etc., meted out to political prisoners in the Haripur Central Jail, published on the first page of the *National Call*, dated the 8th March, 1933?

(b) If so, will Government please state whether the allegations contained therein are correct in respect of those political prisoners who were convicted during the regime of the Central Government?

(c) Will Government kindly make a detailed statement on the allegations contained in the letter referred to in part (a) of this question?

The Honourable Sir Harry Haig: (a) Yes.

(b) and (c). I have called for information from the Local Government and will lay a reply on the table in due course.

ALLEGATIONS AGAINST LIEUT. E. H. LINCOLN, CANTONMENT MAGISTRATE, SIALKOT.

926. \*Mr. B. N. Misra: (a) Is it a fact that the Government of India have laid down in paragraph 80, page 81, Cantonment Manual, 1909, that no Cantonment Magistrate, when appointed to a new station, is permitted to bring with him, or shortly after his arrival at the new station, to summon to his side a number of subordinates and their relatives from his previous offices?

(b) Is it a fact that Lieut. E. H. Lincoln, on his appointment as Cantonment Magistrate at Sialkot, brought the following of his former subordinates and their relatives to take up almost all the ministerial appointments under him as stated below:

- (i) Head clerk, replaced by a clerk transferred from the Deputy Commissioner's Office, Sialkot, where Lieut. Lincoln had been a head clerk himself for some years;
- (ii) Accountant, replaced by a son of the head clerk in the Sialkot Municipality where Lt. Lincoln, was a secretary before his appointment as Cantonment Magistrate at Sialkot;
- (iii) Sanitary Inspector, transferred from Sialkot Municipality.
- (iv) Overseer I/c. Works, stores, etc., transferred from Sialkot Municipality; and
- (v) Tax Collector, replaced by an ex-employee of the Sialkot Municipality?

(c) If so, what action did Government take against Lieut. Lincoln?

Mr. G. R. F. Tottenham: (a) There was a rule to this effect in the Cantonment Manual, 1909. The Manual was rendered obsolete by the introduction of the Cantonments Act in 1924.

(b) and (c). Mr. Lincoln was not a regular officer, but was employed as Cantonment Magistrate, Sialkot, for less than a year in 1918-19. There is nothing to show that the propriety of any appointments made by him was questioned at the time, and no useful purpose would be served by making an enquiry now.

RE-EMPLOYMENT OF CANTONMENT FUND SERVANTS IN THE PUBLIC SERVICE.

927. \*Mr. B. N. Misra: Is it a fact that the Government of India have laid down in paragraph 78, page 80, Cantonment Manual, 1909, that no Cantonment authority is permitted to exclude from re-employment in the public service any Cantonment Fund servant unless:

- (i) they have already laid his case before the Local Government, and
- (ii) the said Government, after dealing with it under the rules issued by the Government of India in the Home Department for the removal, discharge, or dismissal of public servants, have decided that he is not to be so re-employed?

Mr. G. R. F. Tottenham: The answer is the same as that given to part (a) of the previous question.

MISSING OF CONNECTION AT KARACHI OF THE DELHI AIR MAIL.

928. \*Mr. S. C. Mitra: (a) Will Government be pleased to state if it is a fact:

- (i) that the Delhi air mail missed the connection at Karachi on the 8th March, 1933;
- (ii) that the French air mail arrived some hours after the arrival of the Delhi plane and volunteered as a matter of courtesy to carry the mails as far as Paris;
- (iii) that the authorities at Karachi having no authority to accept the offer wired and tried to telephone to Delhi for permission to send the mails by the French mail; and
- (iv) that the French mail left without carrying the mails which were thus delayed for a week?

(b) Will Government be pleased to state what are the total postal charges of the mail thus delayed and do Government propose to pay any compensation to those whose mails have been delayed?

The Honourable Sir Frank Noyce: (a) (i). Yes.

(ii) The Air Orient aeroplane was scheduled to leave Karachi at 10-30, the Delhi-Karachi air mail having arrived at Karachi at 9-08. The Agent of the Air Orient Company offered the local authorities at Karachi to carry the mails to Baghdad without charge, where they could have connected with the Imperial Airways service.

(iii) Yes. The telegram was received at Delhi at 11-03, i.e., 33 minutes after the scheduled time of departure of the French service. The authorities in Karachi did not succeed in telephoning to Delhi.

(iv) Yes.

(b) It is not possible to state the total postal charges on the delayed mail but the air fees charged were probably about Rs. 2,300. As regards the second part of this question, the reply is in the negative. In this connection the attention of the Honourable Member is invited to Section 6 of the Indian Post Office Act and clause 39 of the Indian Post and Telegraph Guide.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state if this was the first occasion on which the Karachi Air Mail missed connection, or it has been so doing on several other occasions?

**The Honourable Sir Frank Noyce:** I believe, Sir, that on a few occasions the Delhi-Karachi air mail has failed to connect with Imperial Airways at Karachi. It is obvious that one cannot provide for all eventualities. This was the first occasion on which the Delhi-Karachi air mail arrived at Karachi within a few minutes before the departure of the Imperial Airways Machine and has failed to connect owing to the fact that the sorting at Karachi takes a little time. I explained to the House the other day the arrangements we were making to avoid this particular eventuality happening again.

**Mr. F. E. James:** Is the Honourable Member aware that continental houses doing business in this country have a greater advantage over business houses in the United Kingdom owing to the fact that they can make use of two continental services to India in one week? If so, will the Honourable Member consider the possibility of allowing the people of this country to use those other services also for air mail letters subject possibly to the imposition over and above the ordinary air mail postage of a surcharge which would be credited to the Imperial Airways account?

**The Honourable Sir Frank Noyce:** That, Sir, raises a big question of policy and I must ask for notice.

**Mr. S. C. Mitra:** To whom did the Karachi authorities telephone for permission—to the Honourable Member, or to the Director General of Posts and Telegraphs?

**The Honourable Sir Frank Noyce:** I think to the Director General of Posts and Telegraphs.

**Mr. S. C. Mitra:** Has he not a 'phone in his residence as well as in his office so that he could be got at on the 'phone at all times? How then did they miss it?

**The Honourable Sir Frank Noyce:** They were unable to get through. Frequently, unfortunately, there are delays and it takes time on occasions to get a trunk telephone call through. We are doing our best to make our trunk telephone service more efficient, and I think we are succeeding in doing so, but it does occasionally happen that there are unavoidable delays.

#### KING'S COMMISSIONED OFFICERS IN THE ROYAL ARMY VETERINARY CORPS.

929. **\*Mr. S. C. Mitra:** Will Government be pleased to state:

- how many officers with King's Commissions were in the Royal Army Veterinary Corps on 1st January, 1933;
- how many of them are Indians; and
- how many officers were there on 1st January, 1914?

**Mr. G. R. F. Tottenham:** (a) and (c). I presume that the Honourable Member desires information regarding the number of officers of the Royal Army Veterinary Corps on the Indian Establishment. The latest edition of the Indian Army List (published in October, 1932) shows that there are 64 such officers. The January, 1914, edition showed that there were then 63 officers in military employ.

(b) Indians are not eligible for commissions in the Royal Army Veterinary Corps which is a Corps of the British Army.

#### ANIMALS POSSESSED BY THE INDIAN ARMY.

930. **\*Mr. S. C. Mitra:** (a) What is the number of:

(i) horses, (ii) ponies, (iii) mules, (iv) camels, and (v) bullocks which the army possessed on 1st January, 1933?

(b) What was the corresponding number on 1st January, 1914?

(c) How many of these animals are British horses, British mules and British bullocks?

(d) Is there any reason why British veterinary officers with King's Commissions should be appointed to treat Indian animals? Is it a fact that for the treatment of men, Indians are eligible and have obtained commissions in the Indian Medical Service?

|                                                 |        |
|-------------------------------------------------|--------|
| <b>Mr. G. R. F. Tottenham:</b> (a) Horses . . . | 29,252 |
| Ponies . . .                                    | 1,679  |
| Mules . . .                                     | 26,517 |
| Camels . . .                                    | 3,855  |
| Bullocks . . .                                  | 1,166  |

These figures do not include animals in the Military Farms Department.

(b) The information is not readily available.

(c) The nationality of most of these animals is not recorded. (Laughter.) I think they may all be described as Indian either by birth or naturalisation. (Laughter.)

(d) There is no reason why a qualified Indian officer should not be able to treat any animal wherever it comes from. I have already informed the House that Indians are eligible and have for several years been eligible, for the grant of King's Commissions in the Indian Army Veterinary Corps. But hitherto the numbers who have applied for such commissions have been very small.

The answer to the latter part of the question is in the affirmative.

**Mr. Gaya Prasad Singh:** Is there any special reason why British veterinary officers should be appointed to look after the horses and other animals, whatever their nationality may be?

**Mr. G. R. F. Tottenham:** Merely because a sufficient number of qualified Indians have not yet applied for these posts. It is true that until about six years ago, Indians were not eligible for commissions in the Indian Army Veterinary Corps. But, about six years ago, they were made eligible and several Indian gentlemen have applied and probably will get commissions in due course. On the other hand, there are a large number of non-commissioned officers, like assistant surgeons, in the Indian Army Veterinary Corps who do look after these animals.



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**Mr. Gaya Prasad Singh:** Is there any case in which an Indian officer has been appointed to look after British animals, quadrupeds and otherwise? (Laughter.)

**Mr. G. R. F. Tottenham:** As I say, no Indian has yet actually got a King's Commission in the Indian Army Veterinary Corps. But no doubt they will get them very shortly and they will look after the animals, both British and Indian.

**Diwan Bahadur A. Ramaswami Mudaliar:** The Indian Army Veterinary Corps merely contains a higher grade of assistant surgeons and the Royal Army Veterinary Corps contains King's Commissioned Officers. I understand the Army Secretary to state that there are no Indians at all in the Royal Army Veterinary Corps, whereas we know that in the corresponding Indian Medical Service there are Indian officers who look after the regiments and get King's Commissions. May I know to whom the veterinary officers of this country should apply for King's Commissions to treat these animals and what steps have been taken by the army authorities to notify that Indians are eligible for King's Commissioned Officers?

**Mr. G. R. F. Tottenham:** Intending applicants should apply to the Quartermaster General in India. I am not aware of the exact arrangements that have been made to notify that Indians are eligible, but I think it is well known. If not, I will take steps to see that it is made well-known.

**Diwan Bahadur A. Ramaswami Mudaliar:** Is there any possibility of an officer of the Indian Army Veterinary Corps being promoted to the King's Commission in the Royal Army Veterinary Corps?

**Mr. G. R. F. Tottenham:** It is impossible to give a Commission in the Royal Army Veterinary Corps to an Indian in the same way as it is impossible to give a commission to an Indian in the Royal Army Medical Corps. They get Commissions in the Indian Medical Service which corresponds to the Indian Army Veterinary Corps.

**Diwan Bahadur A. Ramaswami Mudaliar:** I may point out that that was the point of the question of my friend as to whether these animals were of Indian or of British nationality. If these animals are to live and die in India, where is the point in recruiting Royal Army Veterinary Corps officers? One can understand the Royal Army Medical Corps who move with the British armies and who go out of this country after five years' service. If these animals are practically Indian, whatever their original nationality might have been, what is the justification for recruiting officers of the Royal Army Veterinary Corps? May I know, further, how long these officers of the Royal Army Veterinary Corps serve in this country? Do they serve the whole period of their time or are they exchangeable after five years?

**Mr. G. R. F. Tottenham:** The only justification for recruiting British officers of the Royal Army Veterinary Corps is that hitherto Indian officers have not been forthcoming. In the Royal Army Veterinary Corps, a certain number of officers are on a continuous service cadre for service in India. Our policy is to stop further recruitment of British officers to this continuous service cadre and to reserve these appointments in future entirely for Indians in the Indian Army Veterinary Corps.

**Diwan Bahadur A. Ramaswami Mudaliar:** Though the Army Secretary has not given figures for 1914, he may rest assured that the total number of animals under each of these categories was not less than what they are in 1933. If so, what is the justification of having one officer more in the Royal Army Veterinary Corps today than there were in 1914?

**Mr. G. R. F. Tottenham:** The reason for that is that in 1914 the Army Veterinary Corps, as it was then called, did not look after the animals in the Indian Army at all. These 63 officers in 1914 looked after the animals in the British Army alone and the animals in the Indian Cavalry regiments, etc., were looked after by local Indian salutries.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform the House whether the cost of the animals is dependent entirely on the nationality of the animal and whether the Lee Concessions given to the officers in charge of this department are dependent on this factor?

#### OFFICERS OF THE ROYAL ARMY MEDICAL CORPS AND THE INDIAN MEDICAL SERVICE EMPLOYED ON SPECIALIST DUTIES.

931. **\*Mr. S. C. Mitra:** Will Government be pleased to state how many officers of (1) the Royal Army Medical Corps and (2) the Indian Medical Service who are employed on specialist duties are research officers? Will Government be pleased to lay on the table a list of the names of these specialists and the nature of the work they are doing?

**Mr. G. R. F. Tottenham:** There are no officers of the Royal Army Medical Corps or of the Indian Medical Service in military employ who are employed as research officers.

There are at present 17 officers of the Indian Medical Service in civil employ who are in the Medical Research Department. I lay on the table a statement giving their names. Information as to the nature of the research work on which they are at present engaged is being collected and will be laid on the table in due course.

#### Statement showing the names of Indian Medical Service Officers in the Medical Research Department.

1. Lieutenant-Colonel J. Taylor.
2. Lieutenant-Colonel J. Morrison.
3. Major K. R. K. Iyengar.
4. Lieutenant-Colonel H. H. King.
5. Lieutenant-Colonel H. E. Shortt.
6. Lieutenant-Colonel J. A. Sinton, V. C.
7. Lieutenant-Colonel L. A. P. Anderson.
8. Major G. C. Maitra.
9. Major A. C. Craighead.
10. Colonel R. McCarrison.
11. Lieutenant-Colonel S. S. Sokhey.
12. Major G. Covell.
13. Major S. D. S. Greval.
14. Captain H. W. Mulligan.
15. Major W. J. Webster.
16. Captain M. L. Ahuja.
17. Captain S. M. K. Mallick.

## MILITARY HOSPITALS IN INDIA.

932. \***Mr. S. C. Mitra:** Will Government be pleased to lay on the table a list of first class, second class and third class hospitals, British and Indian and with reference to each of them state (i) the number of beds provided for, (ii) the number of patients in each of them on 1st January, 1932, (iii) the number of King's commissioned officers of the Royal Army Medical Corps and Indian Medical Service in each of them, (iv) the number of British nurses, British male orderlies in British hospitals, (v) the number of Indian nurses and Indian orderlies in Indian hospitals, and (vi) the number of Indian hospital corps in each of them?

**Mr. G. R. F. Tottenham:** The information is being collected and a reply will be laid on the table in due course.

## PROVISION FOR TREATMENT OF THE FAMILIES OF BRITISH SOLDIERS IN THE BRITISH MILITARY HOSPITALS.

933. \***Mr. S. C. Mitra:** (a) Is it a fact that in several British Military Hospitals there is provision for treatment of the families of British soldiers? Will Government be pleased to state in what hospitals such provision has been made?

(b) Is it a fact that in the British Military Hospital at Calcutta, there is provision for the treatment of the families of British soldiers?

(c) Will Government be pleased to state whether there is any similar provision anywhere in India for the families of British civilian officers?

(d) What is the reason for this provision?

**Mr. G. R. F. Tottenham:** (a) The Honourable Member is referred to the answer which I gave on the 8th February to parts (a) and (b) of Mr. Lalchand Navalrai's starred question No. 276.

(b) Yes.

(c) There is no special provision for the treatment of the families of civilian officials in civil hospitals.

(d) It is one of the conditions of service of British soldiers who are on the married quarters roll that their families should receive free medical attendance and hospital treatment.

## ACQUISITION OF CERTAIN BUNGALOWS, SHOPS, ETC., IN THE PESHAWAR CANTONMENT.

934. \***Mr. S. C. Mitra:** (a) Will Government be pleased to state how many (i) bungalows, (ii) shops or (iii) other buildings are owned in Peshawar Cantonment by (1) Indians, (2) Europeans, (3) Domiciled Europeans and Anglo-Indians?

(b) How many notices have been issued by the military authorities for acquiring ownership of lands or buildings on the owners in Peshawar Cantonment? How many were Indians and how many Europeans?

(c) How many owners in Peshawar Cantonment were served with notice to vacate the buildings in which they lived so that the military authorities may acquire it? How many of them are Indians and how many Europeans?

**Mr. G. R. F. Tottenham:** (a) I am informed that apart from houses occupied by civil officials there are about 125 bungalows owned by Indians in the residential area and about seven owned by Europeans. I do not know how many are owned by domiciled Europeans and Anglo-Indians, nor do I know the number of shops and other buildings.

(b) Notices have been issued in respect of 20 sites; the buildings on 17 of these belong to Indians and those on three belong to Europeans.

(c) Five, all of whom are Indians.

## LICENCE GRANTED TO SHIPPING BROKERS IN BOMBAY.

935. \***Mr. N. M. Joshi:** Will Government be pleased to state:

(a) with reference to the answer to my question No. 403, dated the 19th September, 1932, the decision of Government with regard to the recommendation of the Royal Commission on Labour that "the licence granted under section 24 of the Indian Merchant Shipping Act, should not be renewed";

(b) the arrangements that Government propose to make when the Bombay Shipping Brokers' present licence expires on 31st May, 1933?

**The Honourable Sir Joseph Bhoré:** (a) The recommendation is still under the consideration of Government.

(b) I have nothing to add to the reply given to part (c) of the question referred to by the Honourable Member.

## PROPOSED ADOPTION OF THE BOARD OF TRADE FORM OF SEAMEN'S CERTIFICATES OF SERVICE.

936. \***Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether it is a fact that some months ago Government invited opinions of Government shipping offices and organisations of shipowners and seamen in India regarding the proposed adoption of the Board of Trade form of seamen's certificates of service;

(b) whether it is a fact that the certificate is in the form of a passport book;

(c) whether it is a fact that this form contains space for 60 voyages and in the long run costs much less for seamen as also for Government than the present single sheet form of the *nully* which contains space for only 15 voyages and as such renews of *nullies* require the services of many clerks;

(d) whether the advantages of the Board of Trade form of the certificate have been pointed out by the Shipping Master and by the Indian Seamen's Union, Bombay, in their replies to Government;

(e) why Government have dropped the idea of introducing this form;

(f) whether Government intend to reconsider the matter in view of the economy in their own administrative expenditure?

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

(b) Yes.

(c) The Board of Trade certificate provide spaces for 60 voyages, but in the long run it is not likely to be much cheaper than the form of certificate in use at present.

(d) Yes.

(e) On a careful consideration of all the opinions received, the Government of India came to the conclusion that the form now in use is more suitable.

(f) No appreciable economy would result from the adoption of the Board of Trade form of certificate. Government do not propose to reconsider the matter.

#### DEPUTY SHIPPING MASTER IN BOMBAY.

937. **\*Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether the appointment of the present Deputy Shipping Master in Bombay is temporary or permanent;

(b) the special qualifications or merits of the present incumbent in office;

(c) the salary and allowance of the present incumbent; and

(d) whether Government could not get an officer of the Mercantile Marine Service to fill up the post?

**The Honourable Sir Joseph Bhore:** (a) The appointment is permanent.

(b) The present incumbent is Khan Sahib S. R. Wadia. He has considerable experience of office and administrative work including shipping office work in Bombay and is familiar with the dialects spoken by Indian seamen.

(c) Khan Sahib Wadia is in receipt of a pay of Rs. 750 per mensem in the scale of Rs. 500—50—750 plus house rent allowance of Rs. 150 per mensem and overtime fees for shipping and discharging crews afloat which average about Rs. 70 per mensem.

(d) As Khan Sahib Wadia was already employed in the department and was regarded as a suitable officer for the post, the question of bringing in an officer of the Mercantile Marine was not considered.

#### DEPUTY SHIPPING MASTER IN BOMBAY.

938. **\*Mr. N. M. Joshi:** Will Government be pleased to state whether the present Deputy Shipping Master, Bombay, lives in the same building with a partner in the firm of the Shipping Brokers in Bombay, and are Government aware that on account of close association with the Shipping Brokers, the Deputy Shipping Master is looked upon as a partner of the brokers by seamen in Bombay?

**The Honourable Sir Joseph Bhore:** The present Deputy Shipping Master, Bombay, lives in the same building as a partner in the firm of Shipping Brokers, but Government are not aware that he is looked upon as a partner in this firm by seamen in Bombay.

**Mr. N. M. Joshi:** May I ask whether it is a very desirable state of things that an officer who is appointed to supervise the work of the shipping brokers should live with the shipping brokers?

**The Honourable Sir Joseph Bhore:** I never said that he lives with the shipping broker. I said he lived in the same building, and surely Government cannot prevent the officer from living in the same building.

#### DEPUTY SHIPPING MASTER IN BOMBAY.

939. **\*Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether it is a fact that the Deputy Shipping Master, Bombay, was appointed mainly for the work of maintaining a roster of principal ratings of seamen;

(b) whether it is a fact that he does not attempt, in many cases, to persuade selecting officers of ships to select men long out of employment in preference to those very recently discharged?

**The Honourable Sir Joseph Bhore:** (a) No. It was the temporary post of Additional Assistant which was created to provide for the work referred to by the Honourable Member. This post has recently been amalgamated with that of Deputy Shipping Master as a measure of retrenchment.

(b) Both the Shipping Master and his Deputy do their utmost to persuade the selecting officers to select men longest out of employment but the choice rests with the selecting officers themselves and in some cases they insist on their right to select the men whom they consider most suitable.

#### PREPARATION BY PRIVATE AGENCIES OF PORTAGE BILLS AND ACCOUNTS OF WAGES OF CREWS IN THE SHIPPING OFFICE, BOMBAY.

940. **\*Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether it is a fact that portage bills and accounts of wages of crews are prepared by a private agency in the Shipping Office, Bombay;

(b) whether it is a fact that a clerk related to the Office Superintendent, Mr. Pereira, is in charge of the above work and the remuneration received from the Shipping Companies for portage bills and accounts of wages goes directly to this private agency,

(c) whether it is a fact that about Rs. 40 to Rs. 50 per ship is paid by the Shipping Companies as the remuneration for this work;

(d) whether the clerk doing the above work pays any rent to Government;

(e) whether Government charges anything for the use of the furniture, stationery, &c., by the above private clerk;

(f) how long this private agency has been in existence;

(g) why this arrangement has been made and whether it involves loss to Government in the shape of fees, rent, etc.; and

(h) whether Government have considered the desirability of entrusting this work to one of the clerks on the permanent establishment of the Shipping Office and of crediting the portage bill fee to the Government Treasury as was done before?

**The Honourable Sir Joseph Bhoré:** (a) Yes; the work is done by a clerk employed by the Shipping Companies and paid by them.

(b) Yes.

(c) The amount paid by the Shipping Companies varies from Rs. 5 to Rs. 40 per ship according to the nature of the work.

(d) No.

(e) A charge is made for the form of Portage Bill which is saleable at eight annas a copy.

(f) The system has been in force possibly for half a century.

(g) The arrangement has been made by the shipping firms and it involves no loss of revenue to Government.

(h) The preparation of the Portage Bills and Accounts of wages is the concern of the Masters of Ships and Government do not consider it desirable to interfere with the arrangements made by them. The Portage Bill fee was never credited to Government.

**Mr. N. M. Joshi:** May I ask whether Government are too rich to make a small profit out of this portage bill fee?

**The Honourable Sir Joseph Bhoré:** It is a matter in which the Shipping Companies are primarily concerned and Government do not consider it necessary to interfere.

**Mr. N. M. Joshi:** May I ask, why this clerk should be allowed to sit in the shipping office itself?

**The Honourable Sir Joseph Bhoré:** It is merely a matter of convenience.

**Mr. N. M. Joshi:** May I ask, whether the convenience of holding office will be given to the Seamen's Union in Bombay?

**The Honourable Sir Joseph Bhoré:** I do not think, Sir, that space is so plentiful in the shipping offices to permit us to accommodate everybody.

**Mr. N. M. Joshi:** May I ask, whether Government will be pleased to divide the space between this clerk and the clerk of the Seamen's Union?

**The Honourable Sir Joseph Bhoré:** I am not aware, Sir, what space is likely to be available.

**Mr. N. M. Joshi:** May I ask, Sir, whether Government will enquire into the matter?

**The Honourable Sir Joseph Bhoré:** The point that I will enquire into is the question of charging rent for the use of the space occupied.

**Mr. N. M. Joshi:** May I ask, whether Government propose to stop this practice of withholding an amount of money which is to be paid to the seamen themselves?

**The Honourable Sir Joseph Bhoré:** Sir, that is an advance and it is a question really primarily between the seamen and the broker.

# NON-MAINTENANCE OF THE RECORD OF POOR BOX COLLECTIONS MADE ON VARIOUS SHIPS BY THE SHIPPING OFFICE, BOMBAY.

941. **\*Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether it is a fact that no regular record of poor box collections made on various ships is maintained by the Shipping Office, Bombay;

(b) whether it is a fact that only very recently Captain Flynn, the present officiating Shipping Master questioned one of his subordinates about the irregular procedure of crediting Poor Box collections to the Distressed Seamen's Fund after a lapse of about two or three months since the date of actual collection;

(c) who is responsible for this work; whether the Shipping Master or the Deputy Shipping Master;

(d) whether there are definite instructions to the Shipping Master to see that poor box collections made by the Office Superintendents and clerks at the time of paying off at shipping office and on every ship are shown at once to the Shipping Master counted in his presence and credited to the Distressed Seamen's Fund under the Shipping Master's signature; and

(e) whether Government propose to take action in the matter and if so, when?

**The Honourable Sir Joseph Bhoré:** I have called for the information required by the Honourable Member and will lay a reply on the table in due course.

# CONNECTION OF KHAN SAHIB WADIA, THE DEPUTY SHIPPING MASTER, BOMBAY, WITH THE FIRM OF MISTRY & Co., AUCTIONEERS AND TIMBER MERCHANTS.

942. **\*Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether it is a fact that Khan Sahib Wadia, the Deputy Shipping Master, Bombay, is a partner in the firm of Mistry & Co., Auctioneers and Timber merchants, since the time he was custodian of enemy property in Bombay about 15 years ago;

(b) if so, have they considered whether such private occupation by a responsible Government official is permissible under the Government Servants' Conduct Rules; and

(c) what action they propose to take in the matter?

**The Honourable Sir Joseph Bhoré:** (a) No.

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

## ALLEGATIONS AGAINST SHIPPING BROKERS IN BOMBAY.

943. **\*Mr. N. M. Joshi:** Will Government be pleased to state:

- (a) whether it is a fact that the Shipping Broker in Bombay withholds Rs. 5 or even Rs. 10 from the advance of the pay of every seaman until he actually sails while he takes the seamen's signature on the full amount of the advance;
- (b) whether complaints have been made to the Shipping Master, Bombay, by seamen in such cases;
- (c) whether Government are aware that the Brokers withhold seamen's discharge certificates for any length of time if the seamen do not happen to sail after taking advance;
- (d) whether this practice of the Brokers has been objected to by the Shipping Master, if so, when;
- (e) if the objection was only recently taken, how many nullies withheld by the Brokers in times past are still with the Brokers; and
- (f) what action Government contemplate in the matter?

**The Honourable Sir Joseph Bhore:** (a) It is understood that the practice in Bombay is for the Shipping Brokers to retain Rs. 5 out of the advance of wages until the day the seaman sails.

(b) The Shipping Master reports that no such complaints have been received by him.

(c) Yes, this was the practice until recently.

(d) Yes, about two months ago.

(e) None.

(f) Arrangements have now been made whereby seamen who have failed to join their vessels and whose Continuous Discharge Certificates have been retained by the shipping brokers may receive back their Certificates on application to the Assistant Shipping Master, and a notice to this effect has been posted in the Shipping Office. The question whether any further action should be taken is under the consideration of Government.

**Mr. N. M. Joshi:** May I ask, whether Government propose to stop this practice of withholding an amount of money which is to be paid to the seamen themselves?

**The Honourable Sir Joseph Bhore:** Sir, that is an advance, and it is a question primarily between the seamen and the broker.

**Mr. N. M. Joshi:** May I ask, whether the broker pays the amount or the Shipping Company—who is the man to pay?

**The Honourable Sir Joseph Bhore:** It is certainly not Government.

**Mr. N. M. Joshi:** May I ask, whether stoppage of the practice of authorising the shipping broker to withhold a part of the payment to be made to the seamen will be considered by the Government?

**The Honourable Sir Joseph Bhore:** I will look into the matter. But I do not know whether he is authorised to do so.

**Mr. N. M. Joshi:** If he is not authorised to do so, why is his licence still maintained?

**The Honourable Sir Joseph Bhore:** That is a matter, Sir, I shall look into.

## EXTENSION OF SERVICE TO OFFICERS IN THE ARCHÆOLOGICAL DEPARTMENT.

944. **\*Bhai Parma Nand:** (a) Will Government be pleased to state if there are any officers in the Archæological Department who will attain the age of superannuation during the years 1933 and 1934? If so, is it proposed to give extension of service to any one of them?

(b) Is it a fact that the present Government Epigraphist has put in over thirty years of service and will reach the age of superannuation in 1933-34? Is it also a fact that he has been recommended for an extension of service? Are Government aware that this extension, if granted, will involve a heavy expenditure in the present financial stringency?

(c) If the reply to part (a) be in the affirmative, will Government be pleased to state their policy in regard to such extensions of services to their officers?

**Mr. G. S. Bajpai:** (a) Yes. The question of granting an extension to any of them has not yet been considered.

(b) Yes. No formal recommendation for the extension of his service has been received. The third part of the question does not arise.

(c) I would refer the Honourable Member to Fundamental Rule 56 (a) of the Fundamental Rules.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state whether, in view of the extreme unemployment, Government should not have one general policy that any person who has been superannuated should be given no extension?

**Mr. G. S. Bajpai:** If my Honourable friend will refer to Fundamental Rule 56 (a), he will find that the general policy is defined there, namely, that the normal procedure is not to give extensions. It is only if public interest necessitates the grant of an extension that it is given and given for reasons which are recorded in writing.

**Mr. Lalchand Navalrai:** My humble submission is that the public would not now, at this stage, on account of the unemployment question, consider it a normal question, but it will consider it as an abnormal question, if the persons who are superannuated are allowed to go on.

**Mr. G. S. Bajpai:** My Honourable friend may rest assured that the public interest will not be sacrificed to personal interest.

**Mr. Lalchand Navalrai:** My question is not with regard to the personal interest of a particular man who is referred to here, but it is with regard to the general policy.

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LEGISLATIVE ASSEMBLY.

[27TH MARCH 1933.]

**Mr. G. S. Bajpai:** But my Honourable friend appreciates that when you come to apply a principle to an individual, it is the individual, whether he is in employment or not, that is concerned.

**Mr. Lalchand Navalrai:** The question which the Honourable Member has put in clause (c) is with regard to the policy.

**Mr. G. S. Bajpai:** Quite so, and the policy applies to individuals and not to abstractions.

**Mr. Lalchand Navalrai:** What I am asking is with regard to the general question for a rule to be made or at any rate it should be made a practice that those who get superannuated will not have any extension.

**Mr. G. S. Bajpai:** Let me re-state what I said a little while ago. I think I have tried to make my answer as clear as possible. If that did not appear clear to the Honourable Member, it may be my misfortune, but it is not my fault. The position is that we do not ordinarily give an extension to an individual merely because he wants an extension or because he has a record of good service. Extension is given if it is in the public interest that such extension should be given and my Honourable friend may rest assured that if and when the question of giving extension to any one of these officers arises, all relevant factors will be duly considered.

**Mr. M. Maswood Ahmad:** In the case of superannuation, do you count boy service as well, *i.e.*, if a man is employed at an age below 21, whether that service is counted?

**Mr. G. S. Bajpai:** Well, Sir, I could not say offhand as to whether juvenile service is counted or not. But as regards the officers, covered by this question, none of them has any juvenile service.

#### ANNUAL EXPENDITURE ON THE RAILWAY CONFERENCE.

945. **\*Dr. Ziauddin Ahmad:** (a) With reference to the answer given to my starred question No. 559, on the 27th February, 1933, will Government be pleased to mention the pages in the Pink Books where grant is demanded for contribution to the Indian Railway Conference?

(b) From what sources do the State Railways contribute to this fund?

(c) Will Government please mention the Railways with their annual income which are outside the control of the Railway Board but which contribute to the expenses of the Railway Conference?

**Mr. P. R. Rau:** (a) and (b). The contribution to the Indian Railway Conference Association is included in "Other Expenses" under Demand "No. 4—Working Expenses: Administration".

(c) As I have already informed my Honourable friend, the Association consists of all Railway Administrations in India working a Railway open for passenger traffic that desire to join it. The Railway Administrations that are members of the Indian Railway Conference Association at the present time are given in the statement which I lay on the table. The lines in which Government have a financial interest are indicated in this statement. For the earnings and expenses of these lines, I would refer my Honourable friend to the Annual Railway Administration Report, Volume II, Statement No. 5.

#### Statement.

Assam Bengal Railway (b).  
Assam Railways and Trading Company. (The Dibru Sadiya Railway).  
Barsi Light Railway.  
Bengal and North Western Railway (c).  
Bengal Dooars Railway.  
Bengal Nagpur Railway (b).  
Bengal Provincial Railway.  
Bhavnagar State Railway.  
Bikaner State Railway.  
Bombay, Baroda and Central India Railway (b).  
Bombay Port Trust Railway.  
Burma Railways (a).  
Calcutta Port Commissioners.  
Darjeeling Himalayan Railway.  
Dholpur State Railway.  
Eastern Bengal Railway (a).  
East Indian Railway (a).  
Gaekwar's Baroda State Railway.  
Gondal Railway.  
Great Indian Peninsula Railway (a).  
Gwalior Light Railway.  
H. E. H. the Nizam's State Railway (c).  
Jamnagar and Dwarka Railway.  
Jessore-Jhenidah Railway.  
Jodhpur Railway (c).  
Junagad State Railway.  
Madras and Southern Mahratta Railway (b).  
Madras Port Trust Railway.  
Messrs. Macneill & Co. (The Jorhat Provincial Railway).  
Messrs. McLeod & Co. (The A. K. B. D. R. etc. Light Railways).  
Messrs. Octavius Steel & Co. (The Dehri-Rohas Light Railway).  
Morvi Railway.  
Mysore Railway.  
North Western Railway (a).  
Porbandar State Railway.  
Rohilkund and Kumaon Railway (c).  
South Indian Railway (b).  
Udaipur Chittorgarh Railway.

(a) State-owned and managed.

(b) State-owned and Company managed.

(c) Also works lines owned by the State.

**Dr. Ziauddin Ahmad:** Is the money allotted under "Other Expenses" sufficiently large so as to justify the Railways to give this contribution from this "Other Expenses"?

**Mr. P. R. Rau:** The amounts involved are small; the total expenses are divided between these Railway Administrations in certain proportions.



## CONTINUANCE OF THE CENTRAL STANDARDS OFFICE.

946. **\*Dr. Ziauddin Ahmad:** With reference to my starred question No. 560, dated 27th February, 1933, will Government be pleased to give reasons why the continuance of the Central Standards Office which was established for a period of five years was not considered?

**Mr. P. R. Rau:** The reason is that it is premature to do so. The original term of five years expires only in January, 1935.

## AMALGAMATION OF THE EASTERN BENGAL AND EAST INDIAN RAILWAYS.

947. **\*Dr. Ziauddin Ahmad:** (a) Is it a fact that the mileage of the North Western Railway, is 25 per cent. greater than the mileage of the East Indian Railway and the Eastern Bengal Railway combined and that the North Western Railway passes through four provinces just like the East Indian Railway and the Eastern Bengal Railway, combined? Are Government prepared to consider the desirability of an immediate amalgamation of the Eastern Bengal and East Indian Railways?

(b) Will Government be pleased to state the amount of saving which the Railway Department would achieve by amalgamating the Head Offices of these two Railways?

**Mr. P. R. Rau:** (a) Government cannot agree that mileage, or the number of provinces through which a railway passes, is any certain guide as regards its importance. There are other factors to which much greater weight has to be attached. While the mileage of the North Western Railway is, as my Honourable friend has pointed out, more than the combined mileage of the East Indian and Eastern Bengal Railways, though it is only 13 and not 25 per cent. more, the passenger miles on the East Indian Railway alone exceed those on the North Western Railway by 18 per cent. and the freight ton miles by 120 per cent. Moreover, as I said in reply to another question by my Honourable friend about the end of last month, the amalgamation of the East Indian and Eastern Bengal Railway Administrations presents special administrative difficulties as the former is much the biggest railway system in India, and the addition of a line of considerable length with different and difficult problems of its own, like the Eastern Bengal Railway, might make the system unwieldy. Government recognise, however, that the suggestion is one that deserves serious consideration, and it will be carefully considered.

(b) It is impossible for Government to give a categorical reply to this question without considering carefully what would be the staff which would be required for the headquarters of a combined railway system of this magnitude.

**Dr. Ziauddin Ahmad:** The Honourable Member said that there were other considerations besides mileage: may I just know what are those other considerations?

**Mr. P. R. Rau:** I have just mentioned some of them in my reply,—passenger miles, freight ton miles, etc.

**Lieut.-Colonel Sir Henry Gidney:** In view of the Honourable Member's reply, will he inform this House whether or not the Government are prepared to consider the amalgamation of certain departments of these two

Railways, for instance, the Stores Department and the Medical Services and whether or not such an amalgamation would effect great economy in the administration of these Railways?

**Mr. P. R. Rau:** As I have already said, the suggestion for amalgamation is one that deserves serious consideration and Government are considering it.

## ELIGIBILITY OF POSTAL EMPLOYEES TO BECOME MEMBERS AND OFFICE-BEARERS OF UNIONS.

948. **\*Rai Bahadur Sukhraj Roy:** (a) Are Government aware that Messrs. Sawbary, Shuja Uddin Khan and Fakhruddin are members and office-bearers of Muslim Unions?

(b) Are Government aware that they are employees of the Postal Department?

(c) Will Government be pleased to lay on the table a copy of the Director General, Posts and Telegraphs' note, dated 20th December, 1932, on his office file 1360—Es. A./32?

**The Honourable Sir Frank Noyce:** (a) and (b). Government understand that the facts are as stated at least in respect of two of the officials named.

(c) No. The Honourable Member's attention is invited to Rule 17 of the Government Servants Conduct Rules a copy of which is in the Library of the House from which he will see that he could not, without a breach of those Rules, have been placed in a position to ask for this note.

**Mr. M. Maswood Ahmad:** Will Government be pleased to state how the contents of the Director General's note of the office leaked out?

**The Honourable Sir Frank Noyce:** No: I wish I knew.

**Mr. M. Maswood Ahmad:** Is it a fact that the son-in-law of Mr. Bhattacharjee, an assistant in the office of the Director General, is employed as a clerk in the office of the All-India Postal and Railway Mail Service Union? Are Government aware of the fact?

**The Honourable Sir Frank Noyce:** I do not see how that arises from the present question and reply.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That question does not arise.

## RECRUITMENT OF CLERICAL STAFF IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

949. **\*Rai Bahadur Sukhraj Roy:** (a) Will Government be pleased to state whether recruitment of assistants, stenographers, clerks, etc., for the Director General, Posts and Telegraphs' office is now made through the Public Service Commission?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state if the Director General, Posts and Telegraphs, consulted the Public Service Commission as to whether they had passed men to fill the temporary vacancies in the cadre of stenographers in his office during the last 18 months ending December, 1932; if not, why not?

(c) Is it a fact that some lady clerks (one of whom was a purely temporary hand) who have not passed the Public Service Commission examination in stenography were allowed to fill and continue in the vacancies, although a retrenched official, who at that time was a member of the clerical staff of the Director General's office and a passed man too, was not allowed to fill any of the vacancies?

(d) Are Government aware that qualified men retrenched from the various departments of the Secretariat and its attached offices are available for appointment?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) The reply to the first part of the question is in the affirmative. The second part does not arise.

(c) The facts are that two lady clerks had been holding posts as stenographers in available temporary vacancies for a considerable period prior to July last when the retrenched official referred to joined the Director General's office. That official was also given an officiating post as a stenographer in another temporary vacancy from the 15th September, 1932, until the 9th November last, when he left the Director General's office.

(d) A list of retrenched officials available for re-employment is maintained by the Public Service Commission and the appointment of such officials is made on the recommendations of that Commission.

#### APPOINTMENT OF THE PRESENT DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

950. **\*Rai Bahadur Sukhraj Roy:** (a) Will Government be pleased to state if any appeal or memorial was received from any officer of the Posts and Telegraphs Department, against the appointment of the present Director General, Posts and Telegraphs?

(b) If the reply to part (a) above be in the negative, will Government be pleased to state whether the present Director General was an officer of the Posts and Telegraphs Department? If so, in what capacities has he worked and for how many years?

(c) If the reply to part (a) above be in the affirmative, will Government be pleased to state what action has been taken on that representation and what are the reasons for ignoring the claims of the senior officers of the Posts and Telegraphs Department by appointing a non-I. C. S. and non-departmental officer? Had he any previous experience of the Posts and Telegraphs administration?

(d) Will Government be pleased to state the reasons for giving preference in the matter of the appointment of the Director General, Posts and Telegraphs, to a non-departmental non-I. C. S. officer over senior departmental I. C. S. officers, one of whom has already been declared an able officer, vide reply to starred question No. 464, dated 12th February, 1931?

**The Honourable Sir Frank Noyce:** (a) No formal appeal or memorial has been received.

(b) and (d). The attention of the Honourable Member is invited to the reply given by the Honourable Mr. Tin Tut on the 23rd September, 1932, in the Council of State to question No. 84 by the Honourable Mr. Jagadish Chandra Banerjee.

(c) Does not arise.

#### RECRUITMENT OF LADY STENOGRAPHERS OR TYPISTS IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

951. **\*Rai Bahadur Sukhraj Roy:** (a) Will Government be pleased to state in a tabulated form how many unpassed ladies have been recruited as stenographers or typists in the Director General, Posts and Telegraphs' office since April, 1930, as permanent, temporary or officiating and from what date?

(b) Will Government state whether at the time of recruitment of an unpassed lady, if any, as stenographer, was not any unpassed male clerk with equal qualifications available in the Director General's office?

(c) If the reply to part (b) above be in the negative, will Government be pleased to state on what ground Mr. U. Banerji of that office was appointed as stenographer after the recruitment of an outsider and unpassed lady in that capacity?

**Sir Thomas Ryan:** (a) Permanent—none.

Temporary or officiating—three namely,

one from the 12th May to the 31st August, 1931.

a second from the 20th June to the 15th August, 1931, and again from 1st September, 1931.

and a third from the 9th February, 1932, to the 31st October, 1932, and again from the 10th to the 30th November, 1932, and lastly from the 8th to the 14th December, 1932.

(b) No.

(c) When the unpassed lady outsider was recruited, Mr. V. Banerjee was not competent to carry on the work of a stenographer.

#### RECRUITMENT OF LADY STENOGRAPHERS OR TYPISTS IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

952. **\*Rai Bahadur Sukhraj Roy:** (a) Is it a fact that the Secretary, Public Service Commission, was informed that the Director General of Posts and Telegraphs, was not prepared to recruit a passed lady as stenographer in his office?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state the reasons for the continued temporary employment of an unpassed lady as stenographer to the Senior Deputy Director General?

(c) Is it a fact that the Senior Deputy Director General, on his return from leave ordered that his passed and permanent male stenographer be replaced by a lady stenographer? If so, was that lady permanent in that office and was she also a passed stenographer? If not, what are the reasons for such a change?

(d) Was the Public Service Commission addressed to supply passed male stenographers for employment in the Director General's office; if so, when; if not, why not?

**Sir Thomas Ryan:** (a) Yes.

(b) The lady referred to is retained on an officiating basis only until such time as a suitable male stenographer is obtained.

(c) The reply to the first part is in the negative and the remaining parts do not arise.

(d) An application is being made to the Public Service Commission.

ALLOTMENT OF QUARTERS TO THE STAFF OF THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

953. \***Rai Bahadur Sukhraj Roy:** (a) Will Government be pleased to state the total number of departmental quarters vacated since January, 1932, by the Director General of Posts and Telegraph's office staff on account of retirement, etc.?

(b) How and by whom have the quarters, so vacated been re-allotted to others?

(c) Is it a fact that preferential treatment has been accorded to Muslims in the allotment of quarters?

(d) Is it a fact that during the year 1931-32, a Quarter Allotment Board was formed in the Director General's office for the purpose? If so, is that Board still in existence?

(e) If the Board is not in existence, will Government be pleased to state reasons and objects of its formation and again abolition after such a short period?

(f) If the Board is in existence, will Government be pleased to state how and why certain retired assistants who have been re-employed as clerks and are considered to be new recruits are still in occupation of departmental quarters which they were occupying prior to their retirement from service?

**Sir Thomas Ryan:** (a) Four.

(b) The attention of the Honourable Member is drawn to the reply given to part (b) of Seth Haji Abdoola Haroon's starred question No. 1384 on the 22nd November, 1932.

(c) No.

(d) Yes. The board is still in existence.

(e) Does not arise.

(f) Only one retired Assistant re-employed as a clerk in the office of the Director General, Posts and Telegraphs, continues to occupy departmental quarters allotted to him before his retirement and in view of his re-employment it would have been unreasonable to disturb him.

SAILING OF PILGRIM SHIPS DIRECT TO JEDDAH FROM BOMBAY OR KARACHI

954. \***Mr. M. Maswood Ahmad:** (a) Will Government please state the number of pilgrim ships which sailed in 1933, with the date of their sailing:

- (i) from Bombay to Jeddah direct;
- (ii) from Bombay to Jeddah, *via* Karachi;
- (iii) from Karachi to Jeddah; and
- (iv) from Calcutta to Jeddah?

(b) Is it a fact that on no less than three occasions a large number of pilgrims was left behind at Bombay, as some space in all the ships which left Bombay for Jeddah, *via* Karachi, was kept vacant for the pilgrims who were to embark at Karachi?

(c) Will Government please state how many days a pilgrim ship takes to perform the voyage from (i) Bombay to Jeddah direct, and (ii) from Bombay to Jeddah, *via* Karachi?

(d) Is it a fact that the Haj Enquiry Committee recommended that after the month of *Ramzan* pilgrim ships should sail from Bombay and Karachi to Jeddah direct?

(e) Do Government propose to arrange that in future the recommendations of the Haj Enquiry Committee in this connection are strictly followed?

**Mr. G. S. Bajpai:** (a) and (b). The information is being obtained and will be laid on the table in due course.

(c) The Honourable Member is referred to the reply given to part (a) of starred question No. 563 asked by Shaikh Fazal Haq Piracha on the 27th February, 1933.

(d) The Haj Inquiry Committee's recommendation was that only direct sailings should ordinarily be allowed after the month of *Ramzan*, but that, in special circumstances, such as at the beginning of the pilgrim season, the propriety of allowing ships from Bombay to touch at Karachi might be considered in individual cases.

(e) On the advice of the Standing Committee on Pilgrimage to the Hejaz, the Government of India have decided that the matter should be left in the first instance for settlement by negotiation between the Port Haj Committees and the Shipping Companies concerned.

QUARANTINE DUES COLLECTED FROM HAJ PILGRIMS.

955. \***Mr. M. Maswood Ahmad:** (a) Is it a fact that quarantine dues are collected at the rate of Rs. 10 per pilgrim to Haj?

(b) Is it a fact that there is no necessity for pilgrims to break the journey, if they are already inoculated and vaccinated?

(c) Is it a fact that the Haj Enquiry Committee recommended that the dues should be reduced by half and rupees three out of this sum should be paid to the Haj Committees?

(d) Is it a fact that in spite of this recommendation a full charge of rupees ten is still being made?

(e) Have Government accepted the recommendation in paragraph No. 267 of the Haj Enquiry Committee?

**Mr. G. S. Bajpai:** (a) The dues to be paid to the quarantine station at Kamaran are fixed at Rs. 10 per pilgrim.

(b) I would invite the Honourable Member's attention to clause XXVI of the Schedule to the Anglo-Dutch Agreement regarding Kamaran, a copy of which is available in the Library of the House. If all pilgrims on board are immunised against small pox and cholera, they need not be disembarked at Kamaran, provided that the ship is recognised after medical inspection to be 'healthy' and the provisions of the Schedule have been strictly adhered to.

(c) The Haj Inquiry Committee considered that it should be possible to reduce the dues at Kamaran to Rs. 3 per head. It referred to, but did not support, a suggestion that the dues may be fixed at Rs. 5 per

head and that half this amount in respect of every Indian pilgrim, not required to land at Kamaran, should be handed over to the Central Haj Committee for the provision of *Musafir-khanas* and other comforts for pilgrims in the Hejaz.

(d) The Government of India are alive to the desirability of reducing the quarantine dues, but it has not yet been possible to do so as the annual income of the quarantine station has suffered a diminution owing to a fall in the number of pilgrims since 1930.

(e) The recommendation referred to by the Honourable Member was only of a temporary nature. The Government of India were unable to accept it as it was contrary to the provisions of the Anglo-Dutch Agreement.

**Mr. M. Maswood Ahmad:** Have Government seen paragraph 268 at page 153 of the Report of the Haj Pilgrim Committee in which they say like that?

**Mr. G. S. Bajpai:** Government have seen the paragraph.

#### UNCLAIMED PROPERTY, MONEY, ETC., OF THE HAJ PILGRIMS.

956. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that unclaimed property, money, etc., of the Haj pilgrims to the extent of Rs. 4½ lakhs came in the possession of Government?

(b) Have Government spent all this money on the construction of barracks for soldiers at Kamaran?

(c) Is it a fact that this money was spent for this purpose at a time when the break of journey at Kamaran was stopped?

**Mr. G. S. Bajpai:** (a) Before the enactment of the Port Haj Committees Act, 1932 (Act XX of 1932), sums realised from the sale of the effects of deceased pilgrims and sums of money left by deceased pilgrims, which were unclaimed and lapsed to Government, were credited to provincial revenues. The Government of India have no information as to what sums accrued to the Local Governments in this way and to what purpose they were applied. Under the Port Haj Committees Act, such sums will in future be credited to the Haj Funds at the disposal of the Port Haj Committees.

(b) No, Sir.

(c) Does not arise.

**Mr. M. Maswood Ahmad:** Are Government aware that Haj Pilgrims is a Central subject, and so will Government be pleased to inquire from the Provincial Governments how the 4½ lakhs of rupees has been spent?

**Mr. G. S. Bajpai:** I have pointed out that before the passage of the Port Haj Committees Act, which lays down the manner in which these sums are to be utilised, there was no provision to allocate these revenues either to the Central Government or to the Provincial Government, and they were treated by the Provincial Governments as provincial revenues. I doubt very much whether it would serve any useful purpose now to make inquiries from Local Governments.

**Mr. M. Maswood Ahmad:** Is it a fact that this amount was spent on building barracks for soldiers at Kamaran?

**Mr. G. S. Bajpai:** Sir, I have said, no. Kamaran, as far as I know, is not in the strategic scheme of things.

**Mr. M. Maswood Ahmad:** Is it a fact that no barracks have been built for soldiers in Kamaran? Do Government suggest it?

**Mr. G. S. Bajpai:** My Honourable friend's question is whether this sum of 4½ lakhs accrued to Government, by reason of the death of pilgrims, etc., has been utilised for the purpose of constructing barracks, and I have said, no.

**Dr. Ziauddin Ahmad:** May I understand that this unclaimed property is one of the sources of income to the Bombay Government, and how much of it do they show every year in the income side of their Budget?

**Mr. G. S. Bajpai:** The question which my friend has asked relates to the past. Since the passage of the Act, XX of 1932, there is now legislative provision for this money being placed at the disposal of Haj Committees. Before the passage of that Act, there was no such provision, and such funds as accrued, to Local Governments. There is no question now of Bombay or any other Government treating this as an item of their revenue.

#### PROSECUTION OF OWNERS, CAPTAINS OR AGENTS OF CERTAIN SHIPS WHO BROUGHT BACK SOME PILGRIMS FROM JEDDAH.

957. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that Government intend to prosecute the owners, captains or agents of some ships who brought back some pilgrims from Jeddah, in 1932?

(b) If so, will Government please state the section and the Act, for the non-compliance of which they are to be prosecuted?

**Mr. G. S. Bajpai:** (a) Government have no such suggestion under consideration.

(b) Does not therefore arise.

#### ALLEGED LATHI CHARGE BY THE POLICE ON HAJ PILGRIMS IN BOMBAY.

†958. **\*Mr. M. Maswood Ahmad:** (a) Has any correspondence passed between the Government of India and the Government of Bombay in connection with the lathi charge made on the Haj pilgrims by the Police on or about the 1st March, at Bombay?

(b) Has the attention of Government been drawn to the articles in the *Inqilab*, *Al-Jamiat*, *Bombay Chronicle*, etc., in this connection?

(c) Are Government aware that a largely attended meeting was held in the Juma Masjid, Delhi, to protest against this attitude of the Police of Bombay?

(d) Are Government aware that Haj is an all-India matter and this incident has injured the religious feelings of the Mussalmans all over India?

† For answer to this question, see answer to question No. 923.

# AGE-LIMIT FOR THE MINISTERIAL SERVICE EXAMINATION OF THE PUBLIC SERVICE COMMISSION.

959. **\*Bhai Parma Nand** (on behalf of Mr. B. N. Misra): (a) Will Government please state the age-limit fixed for the candidates sitting in the examination held by the Public Service Commission to fill up clerical vacancies in the various grades in the Government of India offices;

(b) Will Government please state whether in the case of the permanent incumbents in lower grades who desire to qualify for higher ones this age limit has been relaxed as is done in the case of other competitive examinations like the Indian Audit and Accounts Service examination; if not, why not?

(c) Are Government aware that the permanent Government employees in lower grades labour under serious disadvantages as they are not only debarred from sitting in the competitive examinations to qualify for higher grades of service but also are not given any opportunity to improve their lot by taking departmental examinations as there are none such held?

(d) Are Government prepared to remedy this situation either by raising the age-limit for permanent Government servants in the open competitive examinations held by the Public Service Commission or by holding departmental examinations at fixed intervals? If not, why not?

**The Honourable Sir Harry Haig:** (a) The general rule is that to be eligible to appear at the examination for the first and second divisions, candidates must be over 20 and under 24 years of age and as that for the typist and routine grade, over 17 and under 24. The Public Service Commission, who conduct these examinations, are empowered to modify these limits as they think proper.

(b) Yes, in some of the previous examinations.

(c) and (d). I would refer the Honourable Member to the reply given on the 5th September, 1932, to unstarred question No. 16. I would also point out that unqualified departmental candidates are eligible for promotion to higher grades up to a certain limit on grounds of merit.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state whether there were cases in which the Public Service Commission have qualified the limit?

**The Honourable Sir Harry Haig:** I should like to have notice of that question.

**Bhai Parma Nand:** When departmental promotions are given in the Indian Audit and Accounts Service and yet the departmental candidates are allowed to appear at the competitive examinations up to the age of 30, what objection is there to extend the same concession to the Government servants in the Public Service Commission examination held to fill vacancies in the Government of India offices?

**The Honourable Sir Harry Haig:** I did not quite follow the system described by my friend in his supplementary question, but my answer is that the whole question of recruitment for the Government of India Secretariat service was gone into very carefully a few years ago, and certain definite principles and rules have been accepted and those are being applied.

**Bhai Parma Nand:** Are Government aware that the percentage of promotions from lower to the higher grades is very low and that clerks in the lower grades, who are generally well qualified, have to wait for many years before they can get a chance in the departmental promotions?

**The Honourable Sir Harry Haig:** These considerations were present to the mind of the Government of India when they reached their conclusions.

**Bhai Parma Nand:** Does it not appear that outsiders, successful in qualifying themselves for higher grades, are placed above the lower grade men in the Departments, and that thus the lower grade men find it impossible to improve their position except by departmental promotions which are very rare on account of their . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. Supplementary questions are intended to elicit further information arising out of the answers given by Honourable Members of Government, and supplementary questions are not intended to be utilised to enable Honourable Members to ask additional questions which they may bring ready made.

# PERIODICAL EXAMINATION OF TICKET-CHECKING STAFF OF THE EAST INDIAN RAILWAY.

960. **\*Bhai Parma Nand** (on behalf of Mr. B. N. Misra): (a) Is it a fact that the ticket-checking staff (T. T. Es. and T. Cs.) are examined periodically?

(b) If so, what interest have the administration in examining them?

(c) Are subordinates over 45 years of age exempted from the courses at Rail Schools? If so, why is not such an exemption provided for in this examination?

(d) How many examinations in knowledge of the rules and orders is a subordinate required to undergo during his 30 years' service?

(e) Is an entrance examination to service not sufficient?

(f) Are officers and subordinates other than the ticket checking staff on the East Indian Railway examined for accuracy, powers, and knowledge of the rules and orders periodically; if so, with what result?

**Mr. P. R. Rau:** (a) Yes.

(b) The examinations are intended to see whether the staff have a thorough knowledge of the rules by which they are expected to be guided in the course of their work.

(c) Government have no information, but I am sending a copy of this question to the Agent, East Indian Railway, to consider whether any exemption is desirable.

(d) Government have no information. These rules are prescribed by the Administrations.

(e) No.

(f) I have no doubt that the East Indian Railway Administration examines all its staff as often as it considers necessary.

**Dr. Ziauddin Ahmad:** Is it not a fact that each Divisional Superintendent is left to frame his own rules and his own system of examination?

**Mr. P. R. Rau:** I do not think so. The Divisional Superintendents must be acting under instructions from the Agents.

**Dr. Ziauddin Ahmad:** Did I not ask a question in the last Session, whether the Divisional Superintendent at Allahabad had set the same questions at different centres at different times? Was it done under the authority of the Agent?

**Mr. P. R. Rau:** I do not remember the question that was asked in the last Session. If such a question was asked, I have no doubt a suitable answer was given.

**Dr. Ziauddin Ahmad:** The Honourable Member at that time said that he would make inquiries, but I have not yet heard the result.

**Mr. P. R. Rau:** I am not sure whether a reply has been sent to the Honourable Member, but I will make inquiries.

**Mr. S. G. Jog:** Has the Railway Board got any voice in the matter?

**Mr. P. R. Rau:** These things are matters of detail which are settled by the Railway Administrations themselves.

**Dr. Ziauddin Ahmad:** Is the holding of examinations a matter of detail which can be left to subordinates?

**Mr. P. R. Rau:** Yes, Sir, it is a question of examining subordinates for their fitness for the duties in which they are engaged, and the Railway Board are prepared to leave all these things to the discretion of the Railways generally.

#### PERIODICAL EXAMINATION OF TICKET-CHECKING STAFF OF THE EAST INDIAN RAILWAY.

961. **\*Bhai Parma Nand** (on behalf of Mr. B. N. Misra): (a) Is it a fact that the ticket checking staff on the East Indian Railway with long service are required to undergo periodical tests in thorough knowledge? If so, has the knowledge of subordinates other than the ticket checking staff coming in constant touch with the public (like Goods, Parcel Booking, Guards, Station Masters and Assistants, Divisional Superintendents, Commercial Inspectors and Superintendents, etc.), ever been tested? If not, why not?

(b) Will Government be pleased to lay a statement on the table showing the number of ticket checking staff out of a total strength found ignorant of the rules and knowledge of the orders comparing the same with the other officers and staff on the East Indian Railway for the last five years with the length of service of each?

**Mr. P. R. Rau:** (a) The ticket checking staff are required to undergo tests in the knowledge of the rules by which they are to be guided. Government have no information as regards other subordinates.

(b) I am afraid the collection of the information required, will involve an undue expense of labour with no commensurate result.

#### DENIAL OF THE PRIVILEGE OF FURTHER CONTRIBUTION TO THE PROVIDENT FUND TO THE SUBORDINATES ON THE EAST INDIAN RAILWAY.

962. **\*Bhai Parma Nand** (on behalf of Mr. B. N. Misra): Is it a fact that the subordinates on the East Indian Railway contributing to the Provident Fund for over five years have been denied the privilege of further contribution on the plea that they are daily-rated staff? If not, what is the correct interpretation of the Agent, East Indian Railway's circular, No. P.I/41-7813 of the 30th August, 1932?

**Mr. P. R. Rau:** The answer to the first part of the question is in the negative. I am informed that the circular referred to in the second part was issued under a misapprehension and has since been cancelled.

#### SANCTION OF FREE PASSAGES TO SUBORDINATES OF NON-ASIATIC DOMICILE ON THE EAST INDIAN RAILWAY.

963. **\*Bhai Parma Nand** (on behalf of Mr. B. N. Misra): (a) Is it a fact that a certificate is required in the case of the non-superior officers of non-Asiatic domicile before they become eligible for free passages to the effect that had they not been appointed, no Anglo-Indian in India would have been taken on in the post? If so, was such a condition made known to them before they were taken on in service on their discharges from the British forces?

(b) Will Government state whether the orders passed by the Agent, East Indian Railway, in case No. 12/207/29 during 1929 cover the cases of subordinates eligible for free passages as sanctioned from 1930? If so, how and why?

**Mr. P. R. Rau:** (a) Under the rules issued in 1930 for passages for non-superior officers of non-Asiatic domicile, it is necessary that before such an officer is admitted to the passages, a certificate that if, at the time of appointment, he had not been available, no Indian, Anglo-Indian or a Statutory native of India would have been appointed, is required from the Agent. I am not sure that I understand the second part of the question, but if my Honourable friend is referring to such persons as had served in the army before they were taken into railway service, who may be among these non-superior officers, the answer is in the negative.

(b) I am unable to understand what my Honourable friend is referring to, but it is obvious that orders passed in 1929 cannot apply to concessions introduced for the first time in 1930.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House with reference to the reply just given whether or not it is a fact that when these concessions were given to non-gazetted officers the sanctioning authority had made quite certain that no such man was available in India to perform the duties, or did he act merely on the opinion of the Head of the Department?

**Mr. P. R. Rau:** The grant of these passages is, I believe, referred in each case to the Railway Board, and the Agent of the Railway has to certify that at the time of the appointment if the person had not been available, no Indian would have been appointed.



**Lieut.-Colonel Sir Henry Gidney:** In view of the Honourable Member's reply, could he apply that same answer to officers who were appointed 20 years ago and who today claim the Lee Concessions and to support which this particular provision is demanded?

**Mr. P. R. Rau:** The Lee Concessions, Sir, are given on quite a different footing.

### UNSTARRED QUESTIONS AND ANSWERS.

#### GRANT OF OVERTIME ALLOWANCE TO OFFICIALS WHO WORK IN CONNECTION WITH THE DISPOSAL OF THE INWARD ENGLISH MAIL IN CALCUTTA.

**122. Mr. S. C. Mitra:** (a) Is it a fact that all the postal officials who work in connection with the disposal of the inward English mail in Bombay, Madras, Rangoon, Karachi, and in some other places are paid over-time allowances?

(b) Is it a fact that in Calcutta the above work is done partly by auxiliaries and partly by the over-time system?

(c) Do Government contemplate introducing the overtime allowance system for all officials who work in connection with the disposal of the English mail in Calcutta also? If not, why not?

**Sir Thomas Ryan:** (a) No. Only those postal officials who are required to perform extra hours of duty in connection with the disposal of inward foreign mails in addition to their ordinary duty hours are entitled to overtime allowance.

(b) Yes.

(c) No, in view of what has been stated in (a) above. The Honourable Member's attention is also invited to part (c) of his unstarred question No. 229 in this House on the 12th December, 1932, and to its reply which was laid on the table on the 16th February, 1933.

#### TRANSFER OF POSTAL CLERKS IN THE RAJSHAHİ DIVISION.

**123. Mr. S. C. Mitra:** (a) Will Government please submit a statement showing the number of postal clerks transferred during the last two years in the Rajshahi Division?

(b) Will Government please submit another statement showing the details of the amount spent in paying the travelling allowances of the officials transferred?

**Sir Thomas Ryan:** (a) and (b). To obtain the required information it would be necessary to consult a number of records and travelling allowance bills. As the Honourable Member is well aware, the Postal Department is at present working with a reduced staff, and Government regret that they are not in a position to undertake the investigation which a detailed reply to the Honourable Member's question would necessitate.

#### SUICIDE COMMITTED BY A POSTAL OFFICIAL OF THE RAJSHAHİ DIVISION.

**124. Mr. S. C. Mitra:** (a) Is it a fact that a postal official of Rajshahi Division committed suicide a few months ago?

(b) Is it a fact that he left a letter stating the cause of his committing suicide?

(c) Is it a fact that the official was transferred several times within a very short period?

(d) Is it a fact that the Superintendent of Post Offices, Rajshahi Division, was mentioned in the letter left by the deceased?

(e) Are Government prepared to make an inquiry into the matter?

**Sir Thomas Ryan:** (a) to (e). Government have no information. An enquiry is being made and a reply will be placed on the table in due course.

#### INCONVENIENCE CAUSED TO THE PUBLIC OF CALCUTTA BY THE POSTING OF RESERVE POSTMEN IN PLACES OF PERMANENT POSTMEN.

**125. Mr. S. C. Mitra:** (a) Are Government aware that the public of Calcutta are often inconvenienced by posting of reserve postmen in places of permanent postmen while on leave?

(b) Is it a fact that in Bombay every Delivery Post Office is treated as a separate unit and a certain number of reserve postmen are attached to each unit?

(c) Is it a fact that Calcutta is treated as one unit and the reserve postmen are deputed to work in leave vacancies wherever necessary throughout the city?

(d) Are Government aware that the procedure followed in Calcutta results in misdelivery and delay in delivery of postal articles very often?

(e) Do Government contemplate treating each delivery office in Calcutta as a separate unit and attach a number of reserve postmen to it for the benefit of the public? If not, why not?

**Sir Thomas Ryan:** (a) No.

(b) Yes.

(c) Yes.

(d) No.

(e) Government understand that the Postmaster-General, Bengal and Assam, is examining the question.

#### PROVISION OF BATHING OR SWIMMING PONDS IN NEW DELHI.

**126. Mr. M. Masood Ahmad:** Will Government be pleased to state:

(a) the total number of bathing or swimming ponds in New Delhi; if none, the reasons for their absence;

(b) if the necessity of bathing or swimming ponds in New Delhi has been ever considered; if so, what arrangements have been made for the provision of same;

(c) whether Government are prepared to issue necessary orders immediately for the provision of a sufficient number of bathing or swimming ponds in New Delhi during the hot weather? If not, why not?

**Mr. G. S. Bajpai:** (a) and (b). There are no public bathing or swimming ponds in New Delhi, and the question of providing such ponds has not been considered so far.

(c) Government do not consider a period of financial stringency suitable for expenditure on such schemes.

**SAVING BY THE STOPPAGE OF THE SIMLA-DELHI MOVE OF THE GOVERNMENT OF INDIA OFFICES.**

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

- (a) what would be the approximate savings on account of Simla-Delhi move of the Secretariat and its Attached Offices, if the move is stopped and all the Departments are located in New Delhi or in Simla;
- (b) what would be the approximate annual income on account of rent of quarters in New Delhi, if all the moving Departments are permanently located in New Delhi and all the quarters are occupied; and
- (c) what would be the approximate annual savings on account of house-rent, other allowances, etc., which are granted to migratory staff in Simla and Delhi after locating the moving departments permanently in New Delhi?

**The Honourable Sir Harry Haig:** (a) The Honourable Member is referred to part (c) of the Honourable Sir George Schuster's reply to his starred question No. 1291 given on November 21st, 1932.

(b) Government would derive an additional income of Rs. 2,70,000 per annum on the assumption that all residences are occupied during the summer months.

(c) The annual saving would be Rs. 8,70,000 approximately. The nett saving, however, for the reasons indicated in the Honourable Sir George Schuster's reply referred to in (a) would be considerably less than this sum.

**DIFFERENTIAL TREATMENT TO THE HEADQUARTERS OFFICES OF THE RAILWAYS AND POSTS AND TELEGRAPHS, IN THE MATTER OF TEN PER CENT CUT.**

**128. Mr. M. Maswood Ahmad:** Will Government be pleased to refer to the reply to starred question No. 617, dated the 4th March, 1932, and state if there are special reasons for not treating the Railway Board and the office of the Director General, Posts and Telegraphs, differently from their subordinate offices; if there are reasons, what are those and are Government prepared to refund the entire amount so deducted with interest thereon to the men concerned soon after the deficit is made up?

**The Honourable Sir Frank Noyce:** The Government of India consider that to have treated the headquarters offices of the Railways and Posts and Telegraphs differently from the subordinate offices in this matter would have given rise to serious discontent. The answer to the latter part of the question is in the negative.

**INCREASE IN THE PERCENTAGE OF INDIANS IN THE POSTS AND TELEGRAPHS DEPARTMENT.**

**129. Mr. M. Maswood Ahmad:** Will Government be pleased to refer to the reply to unstarred question No. 215, dated the 23rd February, 1931, and state if any action has been taken to increase the percentage of Indians in the appointments referred to therein in the Posts and Telegraphs Department; if not, why not? If so, will Government be pleased to lay on the table a copy of the orders issued on the subject?

**The Honourable Sir Frank Noyce:** As explained in the reply to the question referred to, the small percentage of Indians holding the posts in question is due to the fact that promotion to these posts was made from the ranks of General Service telegraphists who were mostly Anglo-Indians. With the progressive Indianisation of the cadres of telegraphists, the percentage of Indians in the higher posts which are filled by promotion from these cadres will increase and Government have not therefore thought it necessary to take any special action in this direction.

**POSTING OF MUSLIM ASSISTANTS IN THE ESTABLISHMENT "A" SECTION OF THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.**

**130. Mr. M. Maswood Ahmad:** (a) Is it a fact that not a single Muslim Assistant has been posted in the Establishment 'A' Section of the Director General, Posts and Telegraph's office, where the questions relating to communal adjustment are usually dealt with?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state reasons?

(c) Do Government propose to consider the necessity of posting at least two Muslim Assistants, in that section forthwith; if not, why not?

**The Honourable Sir Frank Noyce:** (a) It is a fact that there is no Muslim Assistant in the Establishment 'A' Section of the Director General's Office, but questions relating to communal adjustment are not generally dealt with in that section nor in any case are decisions taken by the clerks.

(b) and (c). Postings of Assistants to the various sections of the Director General's Office are not made on communal considerations.

**REPRESENTATION OF MUSLIMS IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.**

**131. Mr. M. Maswood Ahmad:** Will Government be pleased to state if any order has been issued to give permanent chance to Muslims in the appointments in the office of the Director General of Posts and Telegraphs, referred to in unstarred question No. 231, dated 23rd February, 1931? If so, will Government please lay on the table a copy of that order? If not, why not? If no order has been issued, what are the reasons?

**The Honourable Sir Frank Noyce:** No orders were issued nor were any contemplated.

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LEGISLATIVE ASSEMBLY.

[27TH MARCH 1933.]

REPRESENTATION OF MUSLIMS IN THE ENGINEERING AND TRAFFIC BRANCHES  
OF THE TELEGRAPH DEPARTMENT.

132. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to refer to the reply to unstarred question No. 89, dated 22nd February, 1932, and state what steps have been taken or do they propose to take for the adequate representation of Muslims in the Engineering and Traffic Branches of the Telegraph Department? If none, why?

(b) What are the reasons for the total absence of Muslims from the Traffic Branch and their negligible number in the Engineering Branch?

**The Honourable Sir Frank Noyce:** (a) The attention of the Honourable Member is invited to the reply given by the Honourable Sir Joseph Bhore on the 14th March, 1932, to his starred question No. 751.

(b) Since the 15th May, 1930, the date for which figures were given in reply to the Honourable Member's unstarred question to which he refers, there has been some improvement in Muslim representation in the branches in question; one Muslim having been promoted to gazetted rank in the traffic branch on the 4th November, 1930, and another having been recruited direct to the Superior Telegraph Engineering Branch on the 10th August, 1931. The majority of the posts in the branches are filled by promotion. When posts are filled by direct recruitment as in the case of half the posts in the Superior Telegraph Engineering Branch, the rule for the protection of the interests of minority communities is being strictly followed.

ATTENDANCE OF MUSLIM CLERKS IN THE OFFICE OF THE DIRECTOR GENERAL,  
POSTS AND TELEGRAPHS, DURING RAMZAN.

133. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state if half an hour's recess is allowed in the Director General of Posts and Telegraph's office, *vide* reply to starred question No. 427, dated the 22nd February, 1932?

(b) If the reply to (a) above be in the affirmative, will Government be pleased to state reasons why Muslim clerks in the Director General's office are required to attend office half an hour earlier during their fasting festivals in the month of *Ramzan* if they want to leave office at 4 P.M.?

(c) Have Government considered whether Muslim officials in the Director General's office should attend office at 10-30 A.M. as usual and leave at 4 P.M., that is half an hour earlier when they do not avail themselves of half an hour's recess during *Ramzan*?

(d) If the reply to (a) above be in the negative, will Government be pleased to give reasons justifying the inadmissibility of the concession?

**Sir Thomas Ryan:** (a) Yes, it is usual to grant such a recess if it is required.

(b) and (c). In January, 1932, the Muslim clerks of the Director General's office applied for permission to leave office at 4 P.M. during *Ramzan*. In their application no suggestion was made by them that during this period they would forego their daily half hour's recess in order to make up for the shorter attendance. Had such a suggestion been made, it would have been accepted, but as it was not made it was proposed that those Muslims who desired to leave office at 4 P.M. should attend half an hour earlier.

(d) Does not arise.

ROTATION OF DUTIES IN THE TELEGRAPH OFFICE, DELHI.

134. **Mr. M. Maswood Ahmad:** (a) Is it a fact that Government orders about rotation of duties are not observed in the Telegraph Office, Delhi?

(b) Is it a fact that the time scale clerks of the Government Telegraph office, Delhi, are not brought on rotation of duties as per Director General's communication No. Est.-A./29, dated the 15th October, 1929, and that the Administrative Branch has been held by clerks of only one community for the last ten years?

**Sir Thomas Ryan:** (a) and (b). The Honourable Member is referred to the reply given to his own unstarred question No. 88 in this House on the 8th March, 1933. A copy of the questions and answers is, however, being sent to the Postmaster-General for such action, if any, as he may consider necessary.

MUSLIM BOY PEONS IN THE TELEGRAPH OFFICE, DELHI.

135. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the officer in charge of the Telegraph Office, Delhi, does not want to employ Muslims as boy peons?

(b) Is it a fact that senior Muslim boy peons of the Government Telegraph Office, Delhi, have recently been deprived of promotion to the grade of boy head peon or delivery peon?

(c) Is it a fact that the Muslim boy peons were medically examined for proof of their age, whereas not a single non-Muslim was ever sent for the same purpose in the same office? If so, why?

**The Honourable Sir Frank Noyce:** (a) to (c). Government have no information. The matter is within the competence of the Postmaster General, Punjab and North-West Frontier Circle, to whom a copy of the question and of this reply is being sent.

COMMUNAL COMPOSITION OF THE TASK WORK MESSENGERS AND BOY PEONS  
IN CERTAIN TELEGRAPH OFFICES.

136. **Mr. M. Maswood Ahmad:** (a) Will Government please lay on the table a statement showing the communal composition of the task work messengers and boy peons in the Government Telegraph Offices at:

- (1) Lahore Central Telegraph Office,
- (2) Ambala Telegraph Office,
- (3) Amritsar Telegraph Office,
- (4) Patna Central Telegraph Office,
- (5) Benares Telegraph Office,
- (6) Dacca Telegraph Office,
- (7) Cuttack Telegraph Office, and
- (8) Simla Telegraph Office?

(b) Is it a fact that in the above stated Telegraph Offices there is not a single Muslim boy peon or task work messenger; if not, why not?

**The Honourable Sir Frank Noyce:** (a) The communal composition is as follows:

| Telegraph Office.     | Hindus. | Muslims. | Other Communities. |
|-----------------------|---------|----------|--------------------|
| 1. Lahore . . . . .   | 58      | 13       | 1                  |
| 2. Ambala . . . . .   | 9       | 1        | 1                  |
| 3. Amritsar . . . . . | 11      | 6        | 2                  |
| 4. Patna . . . . .    | 15      | ..       | ..                 |
| 5. Benares . . . . .  | 3       | ..       | 1                  |
| 6. Dacca . . . . .    | 5       | 5        | ..                 |
| 7. Cuttack . . . . .  | 2       | ..       | ..                 |
| 8. Simla . . . . .    | 13      | ..       | ..                 |

(b) The reply to the first part is in the negative, and the second part does not arise.

#### APPOINTMENT OF MUSLIMS AS TASK WORK MESSENGERS AND BOY PEONS IN THE TELEGRAPH OFFICES.

137. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the Home Department Memo. No. F-176/25-Est., dated the 5th February, 1926, applies to the recruitment of the inferior establishment also and, if not, what is the other standing order to safeguard the appointment of Muslims and the members of the other minority communities?

(b) What action do Government propose to take to enforce observance of their orders for giving adequate share to the Muslims for appointment as task work messengers and boy peons in the Telegraph offices stated above and at other places?

**The Honourable Sir Frank Noyce:** (a) The reply to the first part is in the negative. As regards the second part, if the Honourable Member's reference is to the inferior establishments in the Posts and Telegraphs Department, I would invite his attention to the reply given in this House to Rao Bahadur M. C. Rajah's starred questions Nos. 930 and 931 on the 24th September, 1931.

(b) The Honourable Member is referred to the reply given to part (f) of Mr. Muhammad Anwar-ul-Azim's starred question No. 445 on the 23rd February, 1933.

#### CONFIRMATION OF ASSISTANT CONTROLLERS ON THE NORTH WESTERN RAILWAY.

138. **Bhagat Chandi Mal Gola:** (a) Is it a fact that 51 Assistant Controllers on the North Western Railway were confirmed in January, 1931, by the Agent, Lahore, after first being promoted officiating as such in 1927, and 1928, by the same authority in the grade, Rs. 800—10—350?

(b) If so, was the authority which appointed them to officiate and confirmed them, a competent authority under delegation made by Governor-General in Council, *vide* Appendix 4, Serial No. 3, Fundamental Rule 9 (19)? If not, why not? If so, did not such competent authority have full powers to deal with the matter and consider or reject all or any claims if so thought fit?

(c) If the answer to the latter part of (b) be in the affirmative, have the orders passed for their confirmation been countermanded as an error and, if so, why so, when the above competent authority had full powers to deal as thought fit by it?

(d) If the answer to the latter part of (b) be in the negative, has an authority of the same nature (*viz.*, Agent and headquarters officers) finally dealt with the matter in the manner it thought fit?

(e) Is it a fact that the officers concerned in the January, 1931 confirmations were: Agent, Col. Walton, Chief Operating Superintendent, Col. Watson, Deputy Agent, Mr. Muirhead, Senior Assistant Personnel, Mr. Stubbs; and in the countermand and re-confirmation were the then Officiating Agent, Mr. Highet, Chief Operating Superintendent, Mr. Lockwood, Senior Assistant Personnel I, Mr. Gregory, Senior Assistant Personnel II, Mr. Cameron?

(f) Was the countermand issued in September, 1931, or nine months after the confirmation, and while the permanent Agent Col. Walton was away on long leave and the Chief Operating Superintendent, Col. Watson, had retired?

(g) Is it a fact that the grounds of the countermand were, (i) error in not fixing new lower grades of Rs. 200—10—250 and Rs. 260—10—300, suggested in 1929, and (ii) of junior men now confirmed having in this manner permanently superseded their seniors?

(h) Is it a fact that the final revised 1932 confirmation list embodies:

|                                                                                                             |      |
|-------------------------------------------------------------------------------------------------------------|------|
| (i) No. of men whose confirmation restored out of first list of 51 . . . . .                                | 36   |
| (ii) No. of men rejected as displayed lack of aptitude for this peculiar form of work . . . . .             | 9    |
| (iii) No. of men not recommended for confirmation at present as lacking sufficient experience . . . . .     | 5    |
| (iv) Resigned since . . . . .                                                                               | 1    |
| (v) No. of men whose claims were not first considered and who are not considered for confirmation . . . . . | 5    |
| Total to be confirmed . . . . .                                                                             | 41 ? |

(i) Is it a fact that all 41 men, including five new entrants, have been confirmed in the grade Rs. 300—10—350, as in 1931?

(j) Is it a fact that several of these 36 men and all the five new entrants commenced working in the control after 1929 or much after the new lower grades were suggested?

(k) How has their seniority been fixed?

**Mr. P. R. Rau:** (a) 51 Assistant Controllers on the North Western Railway were confirmed in January, 1931.

(b), (c) and (d). The Agent is the competent authority to make officiating and permanent appointments of Assistant Controllers under the ruling referred to in the question. As regards the rest the Honourable Member's attention is invited to the reply given to Mr. S. C. Mitra's question No. 72 on the 16th February, 1932.

(e) and (f). The facts as stated are substantially correct.

(g) It was considered that the confirmation of these Assistant Controllers was irregular in that all people eligible for promotion had not been considered for these posts when these appointments were made.

(h) Yes.

(i) Yes.

(j) This is probably correct.

(k) This is a matter which is within the competence of the Agent to decide. Government have no information and, as already explained, do not propose to intervene.

#### CONFIRMATION OF ASSISTANT CONTROLLERS ON THE NORTH WESTERN RAILWAY.

139. **Bhagat Chandi Mal Gola:** (a) Is it a fact that on the North Western Railway, the men mentioned below were previously confirmed with the total of two to three years service and, if so, why have they remained confirmed: Messrs. Corrie, Asquith, G. E. Getley, E. J. Getley, L. Ryan, P. Morgan (direct appointment)?

(b) Is it a fact that a number of men now confirmed amongst the 36 Assistant Controllers and amongst the five new entrants were junior yard foremen and the like on substantive pay of Rs. 60 to Rs. 95 and have been confirmed on pay of Rs. 310 to Rs. 350 in preference to the 14 rejected men previously confirmed and their seniors in every respect?

(c) Are not officers and other classes of staff appointed direct in all Government services and promoted to higher grades supervising the work of juniors and subordinates after 20 or 30 years experience?

(d) Is there any existing Fundamental Rule delegating to the Agent the power to countermand the confirmation of any Government servant in any appointment? If not, how has such been authorised? If authorised, has any rule been made?

(e) If a rule has been made, when was it made; and do Fundamental Rule No. 4 and Fundamental Rule 6(a) prohibit the delegation by the Government of India and Local Governments of all powers to make rules to any of its officers?

(f) Does not Fundamental Rule No. 15 lay down clearly:

“A Government servant shall not, save in cases of inefficiency or misbehaviour, be transferred substantively to a post carrying less pay than his relative position in the cadre of the service to which he belongs would justify?”

(g) Is it not a fact that, with the exception of cases of inefficiency or misbehaviour, a Government servant's appointment held substantively to a permanent post cannot be nullified in any way?

(h) Is it a fact that these 14 men worked in the control from three to over five years prior to removal and were drawing Rs. 330 to Rs. 350 p. m., and are now reduced some to pays of Rs. 200 to Rs. 180 p. m., and their places have been filled up by men drawing substantively Rs. 80 to Rs. 100 p. m., and now promoted to Rs. 310 to Rs. 330 p. m.?

(i) Is not the reduction of the one class to about half its pay glaring with the fourfold increase of pay to the other class?

(j) Are the Government of India or the Railway Board prepared to consider the question of setting aside the countermand and restore to these men their confirmation?

**Mr. P. R. Rau:** Government have insufficient information on some of the points raised in this question and a reference has been made to the Agent, North Western Railway. A reply will be laid later on the table.

#### RETIREMENT OF ALL POSTAL OFFICIALS AT THE AGE OF 55.

140. **Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether in the Postal Department the Director General has issued instructions that all officials will retire at the age of 55 years;

(b) whether it is a fact that the selection grade appointments are not subjected to a large reduction as compared with time-scale appointments;

(c) whether the action referred to in part (a) will not give the department sufficient number of vacancies, if any are required for being brought under reduction; and

(d) if the reply to part (c) above be in the affirmative, whether the department propose to fill permanently the vacant appointments or at least 75 per cent. of them?

**Sir Thomas Ryan:** (a) No. The Honourable Member is referred to the reply given to Mr. P. G. Reddi's starred question No. 767 in this House on the 26th September, 1932.

(b) No.

(c) and (d). Do not arise in view of the reply to part (a).

#### PROVISIONAL APPOINTMENTS IN THE BARODA POSTAL DIVISION.

141. **Mr. N. M. Joshi:** (a) Will Government be pleased to lay on the table a copy of their letter in the Finance Department to the effect that those who have been officiating in vacant appointments from before 15th July, 1931, will, on confirmation, get the benefit of the existing scale of pay?

(b) Is it a fact that in the Baroda Postal Division eight officials provisionally appointed in vacant appointments in the upper division, were, in July, 1932, asked to accept the lower division scale of pay and thus deprived of the benefit of Government orders referred to above?

(c) If the reply be in the affirmative, will Government please state whether Government propose to restore their upper division appointments to them?

**Sir Thomas Ryan:** (a) The Honourable Member is possibly thinking of the Finance Department letter No. F.-36 (147)-Ex.-1/37, dated the 1st November, 1932, a copy of which is subjoined.

(b) and (c). Government have no information. If any one has a grievance, it is open to him to submit a representation in the usual way.

COPY OF A LETTER NO. F-36 (147)-EX. I/32, DATED THE 1ST NOVEMBER, 1932, FROM W. R. TENNANT, ESQ., I.C.S., DEPUTY SECRETARY TO THE GOVERNMENT OF INDIA, FINANCE DEPARTMENT, TO ALL MINOR LOCAL GOVERNMENTS.

SUBJECT:—*Interpretation of the term "Government service" as used in this Department Resolution No. D-4523-Ex. I/31, dated the 9th July, 1931.*

I am directed to refer to this Department endorsement No. D-4523-Ex. I/31, dated the 9th July, 1931, forwarding a copy of the Resolution quoted above and to say that the question having arisen of the exact meaning of the term "Government service" in that Resolution, the Governor General in Council has been pleased to decide that a person who on the 15th July, 1931, was (i) in the whole-time service of Government and (ii) remunerated either by salary or recurring honorarium, should, for the purposes of the Resolution, be held to have been in "Government service" on that date even if his status on that date was not substantively permanent but provisionally permanent, substantive or provisionally substantive in a temporary post, officiating in a permanent or temporary post or probationary against a permanent vacancy. It follows that a Government servant not then in permanent service if he is confirmed after the 15th July, 1931, without a break in service will for the purposes of the application of the new scales of pay and the new leave rules be dealt with in the same way as if he had been in permanent service on that date.

#### FILLING UP PERMANENTLY OF CERTAIN APPOINTMENTS IN THE BOMBAY CITY POST OFFICE.

142. Mr. N. M. Joshi: Will Government be pleased to state:

- (a) whether it is a fact that there are 65 appointments vacant in Bombay City Post Office in the lower division cadre held by officials and outsiders in officiating capacities:
- (b) whether on confirmation of officials in the selection grades there will be still 25 vacancies more in the lower grade cadre in Bombay:
- (c) the reason for the retention of so many vacant appointments and what is the number of time-scale appointments reduced during the last six months in Bombay: and
- (d) whether orders will be issued for filling in the vacant appointments permanently subject to a maximum of 25 appointments being allowed to be filled in provisionally to meet the exigencies of service?

Sir Thomas Ryan: Information has been called for and a reply will be placed on the table in due course.

#### COMPULSORY RETIREMENT OF CERTAIN PERSONS IN THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.

143. Pandit Satyendra Nath Sen: (a) Is it a fact that a certain number of persons in the office of the Director, Railway Clearing Accounts Office, were compulsorily retired in March, 1932?

(b) If the reply to the above question be in the affirmative, will Government be pleased to state:

- (i) what the number of such retired men is;
- (ii) what the approximate length of their service is; and
- (iii) what amount of saving has been effected by the compulsory retirement of such clerks?

(c) Will Government be pleased to state whether the method referred to in part (a) was adopted as a measure of economy?

(d) If so, has that method been given up? If so, why?

(e) If the reply to part (d) be in the negative, are Government aware that there are still 28 men working in the Railway Clearing Accounts Office, who have completed 30 years service, but have not been retired as yet?

Mr. P. R. Rau: (a) A certain number of men were compulsorily retired from the 1st April, 1932.

(b) (i). 16.

(ii) From 14 to 36 years.

(iii) It is not possible to work out the amount of saving exactly, but the abolition of 16 posts and the discharge of senior men of longer service has, I understand, led to a saving approximately of Rs. 22,000.

(c) Retrenchments in the Railway Clearing Accounts Office, as in other offices, were effected as a measure of economy.

(d) and (e). During the present block retrenchment, the Government of India have decided to follow the simple method of length of service recommended by the Court of Enquiry. As my Honourable friend is no doubt aware, the Court of Enquiry definitely advised against the adoption as a general rule of the method of compulsory retirement of people with longer service.

#### RETIREMENT OF PERSONS OF MORE THAN 30 YEARS SERVICE IN THE RAILWAY DEPARTMENT.

144. Pandit Satyendra Nath Sen: Are Government prepared to retire those men who have completed 30 years service in the Railway Department in order to provide the retrenched staff, who have not been provided since 1931?

Mr. P. R. Rau: As my Honourable friend is doubtless aware, Government have, in connection with the present block retrenchment, accepted the recommendations of the Court of Enquiry who definitely advised against following this course as a general rule.

#### SHORT NOTICE QUESTION AND ANSWER.

##### ORDER OF EXPULSION SERVED ON FOUR CHETTIAR BANKERS OF SAIGON BY THE GOVERNMENT OF INDO-CHINA.

Diwan Bahadur A. Ramaswami Mudaliar: (a) Has the attention of 12 Noon. Government been drawn to the fact that an order of expulsion has been served on four Chettiar bankers of Saigon by the Government of Indo-China?

(b) Have Government received representations on the subject from (1) the Nattukottai Nagarathara Association, (2) the South Indian Chamber of Commerce, and (3) other Associations in India and Indo-China?

(c) Is it a fact that the persons concerned were given only a week's notice to leave the place?



(d) Will Government be pleased to make a full statement of the facts of the case if they have received information from their representative in Saigon?

(e) Have Government made any efforts to induce the French Government to keep the order in abeyance pending representations by this Government or His Majesty's Government? If so, with what results?

(f) Have Government drawn the attention of His Majesty's Government to this grievance?

**Mr. H. A. F. Metcalfe:** (a), (b) and (c). The answer is in the affirmative.

(d), (e) and (f). The Government of Indo-China recently issued orders that the execution of money decrees, especially decrees for debt secured on agricultural land, must be reduced to a minimum in order to safeguard the peasants, against whom a number of decrees are held by the Chetty community. The four persons against whom orders of expulsion have been served insisted on proceeding with the execution of their decrees and have, therefore, been ordered to leave the country. Immediately on receipt of these reports, the Government of India supported by telegram to His Majesty's Government the request which had already been made to the Local Government by His Majesty's Consular Representative at Saigon for postponement of execution of the order. The Government of India have also requested that the matter may be represented to the French Government through the usual diplomatic channel. The latest information received is that the Consul-General's request for postponement of execution of the order has been refused and that the persons concerned have either already left Saigon or are leaving within the next two days.

**Diwan Bahadur A. Ramaswami Mudaliar:** Is it not a fact that this order has been issued only on these Chetty firms and that other creditors who are proceeding with execution have not been similarly treated?

**Mr. H. A. F. Metcalfe:** That, Sir, is not my information. My information is that there is a general order which has been issued by the Local Government in the exercise of their sovereign rights.

**Mr. H. P. Mody:** In view of the fact that expulsion has already taken place, do the Government of India propose to take any diplomatic action?

**Mr. H. A. F. Metcalfe:** It is not within the competence of the Government of India themselves to take diplomatic action. They have requested His Majesty's Government to do what they can with the French Government through His Majesty's Ambassador at Paris. I am afraid they can do no more at present.

**Mr. F. E. James:** May I ask the Honourable Member whether he will represent to His Majesty's Government the very strong feeling amongst all communities, particularly in South India, that this action is tantamount to action of the most grave character amounting to discrimination and expropriation? Will he represent those feelings to His Majesty's Government?

**Mr. H. A. F. Metcalfe:** His Majesty's Government have already been informed by telegram that these incidents have aroused great public interest and indignation.

## MOTION FOR ADJOURNMENT.

### LAWLESSNESS IN SIND.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. I have received a notice from Mr. Lalchand Navalrai that he proposes to ask for leave to make a motion for the adjournment of the business of the House today for the purpose of discussing a definite matter of urgent public importance. It is as follows:

" 'Lawlessness in Sind'—Incessant daring dacoities and murders are being committed and life and property of people is insecure. Recent armed dacoity in Buthi, District Larkhana, resulting in heavy loss is followed by another daring dacoity at Visar in the same District and is further followed by murder in Agham in the same District. Panic and consternation prevails in Sind. Law and order is in danger. "

I have to enquire whether any Honourable Member has any objection to this motion.

**The Honourable Sir Brojendra Mitter** (Leader of the House): I object to this motion. My first objection is that the alleged definite matter of urgent public importance, namely, lawlessness in Sind, is not definite. My second objection is this, that if there is general lawlessness in Sind, it must have been the result of a prolonged period of crime in that province and, therefore, it is not urgent within the meaning of Standing Order No. 21. Coming to the specific cases given in the notice, two dacoities and one murder are mentioned by way of illustration of lawlessness. My submission is that individual acts of crime like dacoity or murder are not intended to be covered by Standing Order No. 21. In a vast country like India, dacoities and murders are daily taking place in some parts of the country or other and it was never intended that Standing Order No. 21, which deals with adjournment motions, should deal with such matters. As I read the notice, the only alleged definite matter of urgent public importance is lawlessness in Sind and then, by way of illustration, two dacoities and one murder are mentioned. I say that this is neither definite nor urgent within the meaning of the Standing Order.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Sind is a part of India; still it is in a corner. Though it is going to have an all-India fame on account of the coming Constitution, whether that Constitution is liked by the minority community there or not,—yet lawlessness there is a matter of public importance. The first objection that has been taken is that this matter is not definite. According to paragraph 43 of the Manual (Rule 11 of the Legislative Rules), three conditions are necessary for the acceptance of this motion and they have all been attacked by the Leader of the House. I have not asked that the general lawlessness should be stopped. (Laughter.) As I develop my point, you will find out what I mean. What I say is that the definite matter is that dacoities are now taking place incessantly and it is not known which moment the next dacoity will take place. Therefore, the lawlessness assumes the phase of a definite matter. It cannot be said that, because dacoities are taking place in other parts of the country also, therefore this is not a matter of definite importance. If dacoities take place in a manner that they are a menace to law and order and create panic of such a nature that people actually leave their homes and go for protection elsewhere, then, I submit, that it becomes an absolutely definite matter.

**Mr. H. P. Mody:** Why not censure the dacoits?

**Mr. Lalchand Navalrai:** I am coming to that. To censure the dacoits is also out of the hands of the Government there. I will just show that the matter has assumed a shape which is one of primary concern of the House and the Governor General in Council.

**Mr. President (The Honourable Mr. R. K. Shanmukham Chetty):** Order, order. The Honourable Member must briefly tell me now how his motion is a matter of definite urgent importance under the Standing Orders.

**Mr. Lalchand Navalrai:** I will not enlarge upon it. I will give the points. The point with regard to the definite matter is quite plain and with regard to the other question of public importance I do not think even the Leader of the House has denied it. That it is a matter of public importance is not questionable. The people there are feeling very insecure. There remains the question of urgency. With regard to that, the Honourable the Leader of the House said that I have given only two instances of dacoities and one murder. I am now in possession of definite information that the dacoity at Visar is the fourth in the district in a very short time. Therefore, dacoities after dacoities are taking place and there is no help from the Government. They are not able to stop it and it is not known at what moment I might receive another telegram saying that another dacoity has been committed some where there. Therefore, it is a matter of such urgent importance that steps should be taken immediately. I will sum up the position in one word. The Government of that place is not able to help.

**Mr. President (The Honourable Mr. R. K. Shanmukham Chetty):** That is not relevant. It is not necessary for the Honourable Member to show how the Local Government has failed in its task of maintaining order. What the Chair wants to know at this stage is whether the Honourable Member has got anything to say whether his motion, as it is worded, comes within the definition of a matter of urgent public importance under the Standing Orders.

**Mr. Lalchand Navalrai:** I want to submit that these dacoits come from the borders and go away to Kalat territory, and unless and until the Government of India and this House take some steps with that foreign Government, the authorities in Sind are helpless. That is the point that I want to make. I think I have been able to show that the subject I have raised in my motion is a definite matter and that it is a matter of public importance, and that unless measures are immediately taken, the fear and panic will remain. Therefore, it becomes an urgent matter.

**Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan):** I have not the slightest doubt that if there had been a dacoity in the Law Member's house last night, it would be very much of a definite matter and I fail to understand if a series of dacoities take place in Sind creating consternation throughout the length and breadth of the country, how the matter can become less definite. I submit that the frequent occurrence of dacoities accompanied by murder is a matter of definite public

importance. Then comes the next question—is it urgent. The urgency must be determined by the fact that these are recent occurrences and the urgency is further determined by the fact that consternation is caused throughout the length and breadth of the country. I submit, therefore, that on both these grounds of definiteness and urgency, the motion is in order.

**Mr. President (The Honourable Mr. R. K. Shanmukham Chetty):** The Chair would like to observe that in the first place the wording of the Honourable Member's motion for adjournment is not in the usual form in which such motions are given. The Chair agrees with the Honourable the Law Member that reading the motion the Chair has to come to the conclusion that the definite matter of urgent public importance which the Honourable Member wishes to draw the attention of the House to is "lawlessness in Sind" and that the other parts of his motion are meant to be illustrative of the lawless condition that prevails in Sind. The Chair has, therefore, to decide whether the question of lawlessness in Sind is a matter of definite urgent public importance within the Rules and Standing Orders to justify the Honourable Member in asking this House to interrupt its normal course of business today. On previous occasions Honourable Members have sought to move adjournment motions on similar general lines. On one occasion several Honourable Members sought to move the adjournment of the House to discuss the grave political situation in the country and the Chair, on that occasion, ruled as follows:

"I should add that a case of this kind, which is of a general character, is not sufficiently definite—in the sense in which the word 'definite' is used in the Standing Order—to justify the interruption of business and, therefore, on that ground also the motion cannot be accepted. A matter to be 'definite', 'urgent' and 'of public importance' in the sense in which these terms are used in the Standing Order, must have arisen suddenly in the manner of an emergency."

On the same analogy, the Chair has now to hold that the question of lawlessness in Sind is not covered by the technical meaning of the words "urgent" and "definite" according to the Standing Orders and, therefore, the motion is not in order.

The Chair would like in this connection to make another observation. The Honourable Member, Mr. Lalchand Navalrai, handed notice of this motion and a covering letter at the Notice Office at 20 minutes past 10 this morning. No doubt Honourable Members are entitled to give such a notice at any time before 11 o'clock but in order to enable the Chair to give due consideration to such notices it would appeal to Honourable Members, if possible, to give such notices as early as possible. In this case what the Chair wants to draw the attention of the House to is this. Though notice of this motion was handed to the Notice Office at 10-20 this morning, the Chair found yesterday that notice of this motion had already appeared in the Press. It is a well established convention of the House of Commons that a Member who gives to the Press for publication questions or Resolutions before they are admitted by the Chair commits a serious breach of the privileges of the House. The House of Commons and its spokesman, the Speaker of the House, have got ample powers to deal with Members who do not observe that convention, but unfortunately neither this House nor its spokesman have such powers. In the absence of such powers, the Chair can only appeal to Honourable Members that this well established convention which is observed in the House of Commons should also be observed as one of the conventions of this House.

**Mr. Lalchand Navalrai:** Sir, I want to give a personal explanation. It is true that I gave notice of this motion at 10-20 this morning. I learnt of the seriousness of the situation only on the evening of Saturday. Then Sunday intervened and I learnt that the Notice Office does not open before 10 o'clock. So I started at 10 A.M. in time to give notice of the motion. With regard to the other question, I do admit that I gave the information to the Press, but I will take note of what the Honourable the President has said.

### THE INDIAN FINANCE BILL—contd.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume discussion of the following amendment to the Finance Bill moved by Mr. Jog, namely:

"That in Part I-A of Schedule III to the Bill, for entry (1) the following be substituted:

'(1) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000 . . . Four pies in the rupee'."

**Shaikh Sadiq Hasan** (East Central Punjab: Muhammadan): Sir, I am fully conscious of the fact that the expenses of the Government have to be met, that a very costly army of occupation has to be maintained in this country, and that the fat salaries of the members of a top-heavy administration have to be paid, but, all the same, Sir, I feel there is a duty which we the Members of this House owe to the lower middle classes who are groaning under the burden of taxation and we should see that they should not be over-burdened and harassed unreasonably.

Sir, I have got a few arguments to place before the House in support of my Honourable friend, Mr. Jog's amendment. Firstly, I would say that the taxable minimum is very low and that it is really hard for the lower middle classes to pay the tax out of their meagre incomes. The Honourable the Finance Member, if I remember rightly, said something about the reduction in the prices of food-stuffs and other articles. There is not the least doubt that although the prices of raw commodities have fallen since the termination of the war, on the other hand the prices of manufactured goods have gone up, but the standard of comfort has also gone up and it is difficult to bring it down. Under the circumstances, it is not possible for these people with low incomes to pay these taxes out of their meagre incomes, and indeed it will operate really a great hardship for them to be compelled to do so. Then there is another thing. There is a great danger that these people, who are mostly illiterate and unable to keep accounts will be harassed by the income-tax officers. Some of these officers may be very decent type of people, and some of them may be of harsh temperaments, and when they have got such an arbitrary power in their hands, they are bound to give trouble to these people; and if these people, who number hundreds of thousands, are subjected to such harassment, then there is bound to be a great discontent throughout the land. There is another point. There is no chance of their grievances being rectified as the appeals lie not to the judicial authorities, but to the Income-tax Officers themselves, who themselves assess taxation and hear the appeals against that assessment, and, naturally, these officers, in order to

enhance the income of their own Department, are quite liable consciously or unconsciously to reject such appeals. I hope the Honourable the Finance Member will admit that the incomes of the people have considerably gone down, and there is another point which should also be borne in mind. It is this that people who had been earning, say, Rs. 200 a month are now earning something like half that amount, say Rs. 100. Now such people have not been able to lower their standard of living to the level of their reduced incomes, and it is now very difficult indeed for them to live within their severely restricted means. Yet these very people are now called upon to pay this additional taxation! Perhaps the Honourable the Finance Member will say that this argument would apply to all people liable to taxation, including even the man who was getting an income of Rs. 5,000 a year and who possibly gets very much less than that now, and that, on this principle, there should be no income-tax at all. But what I do suggest is that although this counter-argument may appear somewhat sound, there is nevertheless always what is called a taxable minimum. If you go below a certain limit, and tax people below that limit, then it becomes very difficult for such people to make both ends meet and I do consider that this class of people earning under Rs. 1,500 a year should not be taxed.

The two Honourable gentlemen sitting in front of me—Captain Sher Muhammad and Captain Chaudhri Lal Chand—remarked before: "Why should the urban people be not taxed when the zamindars are being taxed, even those who have got only an acre of land?" Well, I certainly consider their arguments very strong if they had the courage to get up and tell the Honourable the Finance Member to his face that he should do something for zamindars. I would certainly be very glad if the Honourable the Finance Member would do something for these poor zamindars (*Captain Sher Muhammed Khan Gakhar*: "Thank you"), who have to pay 75 per cent. of their income to the Government, whereas under no Government up to this time more than 50 per cent. had been levied. Now, what I would say is that the Honourable the Finance Member would have really earned the gratitude of the people if he had not imposed this taxation on these poor people. He had had two alternatives. The people understood that the intention of the Government was not to impose this taxation. But, on the other hand, we see the Finance Member imposed this taxation and removed the cuts, however, from the already fat-salaried officials. Well, I consider, Sir, that the Bureaucracy as well as the Theocracy have got only their own interests to serve: Theocracy, under the name of God, takes advantage of the poor people and Bureaucracy, in the name of law and order, would like to take advantage for themselves. (Laughter.) Well, Sir, I have nothing more to say except strongly to support the amendment.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): Sir, when my Honourable friend, the Finance Member, has set his heart upon something, he is sure to have it, and we all know that. All the same, Sir, that does not prevent us from appealing to him, appealing to his sense of fairness, to his generosity, if you please. Sir, after all, there is such a thing as compromise, and I do sincerely hope that in this matter he will be able to accept the suggestion which has been made by way of a compromise to fix the taxable minimum at Rs. 1,500 instead of Rs. 1,000. Sir, dealing with the amendment for doing away with the one-thousand rupee limit, the Honourable the Finance Member, with his usual persuasiveness, brought

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forward a number of arguments. I do not know whether he is going to repeat the same arguments on this occasion also, but we might just pause to examine some of the points which he had made.

One of the reasons he put forward for not accepting the other amendment was that it would mean the discharge of something like 1,000 men who were now employed in connection with the lower limit of taxation. But I should like to ask seriously if that is an argument at all? After all, when this new proposal was inaugurated, it was understood that it would not be in operation for more than a year and a half, and the extra men who were employed must have been taken on a temporary basis. What hardship, what injustice, is involved in telling these men that they will not be required for longer than the period for which they had been employed? I do not think, Sir, that this argument of hardship carries much weight. Then, my Honourable friend said by way of warning to the House that if we in any way interfere with the minimum limit of taxation as proposed, it may mean the raising of the rates of income-tax higher up the scale. I do not think my Honourable friend meant that as a threat, but if such be the result, so let it be. I would much rather that those who earn more and are, therefore, the better able to bear the burden should be called upon to do so, and not the poor men who can hardly make their both ends meet. Then, we are told that the Government have got to find the money for numerous projects. They have got to find the money for the separation of Burma; they have got to find the money for the new provinces of Sind and Orissa; they have got to find the money for the Reserve Bank. In other words, they have got to find the money, and they will find it for whatever they set their heart upon. But why embark on these projects? Are they absolutely unavoidable? The amount of money you require for these things runs into not lakhs, but crores, and if you can and must raise these crores, can you not just give up a few lakhs for the sake of giving some relief to the poor people? Then the other point which the Honourable the Finance Member made was that the structure which he had set up in September, 1931, was so well-balanced that you could not take away a single brick from it without destroying the integrity of the whole. Sir, if that be the position, may I ask him in all humility, how it is that the structure still remains intact notwithstanding the partial restoration of the salary cut? Was not that equally an integral part of the structure which he had raised? Sir, it is all very well to say that if you raise the taxable limit for income-tax, it will upset your finances to such an extent that the whole plan will fail. But there is no getting away from the fact notwithstanding economic situation and notwithstanding the financial stringency, you did not hesitate to make a present of five per cent. of their salary to your own servants. And, Sir, talking about fairness and justice, may I also ask my Honourable friend why it is that the Lee Concessions cannot be done away with now? Is there any justification for continuing those Concessions even now in spite of the present depressed condition of the finances of the country? At the time these concessions were inaugurated, what was the index price level, and how does it stand today? Do the same considerations which led to these concessions also hold good at the present moment? I venture to submit that if you take a dispassionate view of the matter and if you are really anxious to deal fairly by all, you should take away these concessions at once, and, what you save in

that way, you should apply in affording relief to those who do want relief and want it very badly indeed. My submission is that if my Honourable friend so wishes, he can easily adjust his financial scheme to the amendment which is now before the House. On the other hand, if he has made up his mind that he is not going to accept it, nothing, we can say on our side, is likely to make any impression upon him. I support the amendment.

**The Honourable Sir George Schuster (Finance Member):** Sir, I took considerable time of the House on Saturday by going through the arguments which, in my opinion, establish the justice in the present times of emergency of levying some moderate form of direct taxation from those who are in receipt of incomes from Rs. 1,000 to Rs. 2,000. I do not wish to repeat in exactly the same words what I said on Saturday. But the point at issue is of such importance that I must go briefly over the arguments which I then used. I must again marshal the main points in our case. Sir, the main point which has been taken by the speakers who have pressed for a reduction of taxation on these low incomes is that a tax of this kind bears very heavily on a class of people that cannot afford to pay and one of the main points in my own case was that this special sympathy was misplaced. I did not intend to suggest that sympathy for tax-payers as a whole could at any time be misplaced. I sympathise with them all and, as a tax-payer myself, I feel their grievances. But the question in times like the present, when the burden of taxation must in any case be heavy, is whether any particular class should be exempted? On that particular point I feel very strongly that those who have pleaded for this particular class have misplaced their sympathies. Sir, I pointed out in speaking on Saturday that among the assesses, who have to pay this tax, no less than 50 per cent. represent small money-lenders and small traders who engage in the lending of money and I appealed to the House whether that particular class, whose operations and whose methods of business fall so heavily on the poorest agricultural classes, is one which deserves the sympathy of the House. And the point which I particularly made and which I again wish to repeat is this—that if you exempt this class of tax-payers from any form of taxation, then you are really treating the agricultural classes in comparison with gross unfairness; because, those who are engaged in agriculture, even though they make no net profit, still have to pay very substantial contributions in the form of direct taxation. And I find it absolutely impossible to justify in my own mind that sort of discrimination.

Now, Sir, when I was speaking on Saturday, I reminded the House that this tax which is now imposed and which this amendment would seek to withdraw is one which had been imposed from 1886 to 1919, that it formerly actually went down to the low level of Rs. 500, and that it was only raised again to a low limit of Rs. 2,000, because the prices of everything had gone up by two and three hundred per cent. during the War, and, therefore, it was felt that an income of Rs. 1,000 to Rs. 2,000 after the War was equivalent in its real value to something less than Rs. 500 before the War. But now, the level of prices has entirely changed. The justification for raising the limit has disappeared and all that we are now doing is to re-impose taxation which had formerly become an established feature in India's system of taxation. But there was one point which I did not make when I was dealing with this on Saturday and to which I wish to call the particular attention of the House. Sir, when the tax

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was formerly imposed, the taxation on incomes from Rs. 1,000 to Rs. 2,000 was four pies in the rupee, and, at that date, what was the rate of taxation on all other incomes? The rate of tax on all other incomes was five pies in the rupee. From Rs. 2,000 up to 20 lakhs or two crores per annum, the rate of income-tax at that time was only five pies in the rupee. That was the position in 1913-14. Now, it has been necessary to raise those rates, as every one knows, very substantially. Now, a man, with an income of from Rs. 2,000 to Rs. 5,000 per annum, has to pay a basic tax of six pies in the rupee and, with the surcharge,  $7\frac{1}{2}$  pies in the rupee; and yet, although that increase has been put upon all other incomes, we have only sought to restore the tax on the low incomes between Rs. 1,000 and Rs. 2,000 to their pre-war rate. That, Sir, I think, shows that there is really no injustice in this measure. On the contrary, if we were to be attacked, at all, I think it would be a legitimate ground of attack that, whereas a man on Rs. 2,001 per annum has to pay tax at the rate of  $7\frac{1}{2}$  pies in the rupee, a man now on Rs. 1,999 per annum has only to pay a tax of four pies in the rupee; and this amendment would seek to eliminate all that is below Rs. 1,500 from any form of direct taxation. I maintain that in relation to the system of taxation which is now prevailing and which is now necessary, that is an undue sympathy with that particular class. A burden of four pies in the rupee represents a levy of two per cent. per annum and I maintain that that is a burden which can very easily be borne.

Now, Sir, I want to say a few words on the needs of the case. My Honourable friend, Sir Cowasji Jehangir, in speaking on Saturday suggested that our Budget was a very safe one and that we could well afford the risk of losing 70 lakhs of rupees. We are now asked to lose 35 lakhs and I presume that he would argue with all the greater strength that that is a loss which we can afford to face. But I want to put the position to the House and make them understand what would be involved if these deductions were made. As the House knows, we are counting only on a surplus of 42 lakhs. I am sure that every Honourable Member recognises that in times of instability like the present a surplus of 42 lakhs on a Budget of 125 crores is really not a surplus at all. It can hardly be regarded as a margin of any appreciable importance. But let us assume that we are going to realise actually this exact surplus of 42 lakhs. If we do realise it, what are we going to do with it? I want to remind the House of one of the proposals which was announced in my Budget Speech. We have felt that as a result of part of the plan proposed this year which means that the Government now will get in the form of income-tax deducted from the pay of provincial officials a very large proportion of the saving which the Provincial Governments were getting when they made similar deductions in the form of cuts in pay, we have felt that because we have proposed that change, we ought, if possible, to make good that particular loss of the Provincial Governments; and we, therefore, propose to restore to Provincial Governments the equivalent of the income-tax surcharges which will now fall on the salaries of their officials for the first time. We propose to restore those sums to them where they were themselves in deficit. I told the House that the total amount required for that, if all provinces took advantage of that, would be 86 lakhs. Actually I suppose that the amount involved will be less than that, because, in the case of Madras, certainly they would not qualify for any help of this kind, but in the case of most of the other

provinces, and particularly of Bengal and Bombay, they will get quite appreciable sums from us if we are in a position to hand those sums over. Now, if my figures are correct, and if we really exactly realise a surplus of about 40 lakhs, then, if this amendment is passed, our power to help the provinces in that way will entirely disappear. I want to put that point particularly to my Honourable friend, Mr. Biswas, who has just sat down. On Saturday, the House rejected a small measure which we had to put forward as part of the Finance Bill for re-imposing the stamp duty on cheques which was going to provide for distribution among the provinces a sum of about seven lakhs. I noticed then that my Honourable friend, Mr. Biswas, in his anxiety to help his own province of Bengal voted with us. I was very glad to see him go into the same lobby as Government Members; but now, Sir, if I fail to persuade him on this particular matter, he will be going into the lobby to vote for something which is going to react directly and much more unfavourably on his own province than the loss of that particular measure which we were discussing on Saturday. Sir, that is a very strong argument and it is a strong argument not merely in connection with the results of this year, but in connection with those wider issues on which I touched in my speech on Saturday. I then reminded the House that if we desire to advance even one single step along the road of financial rearrangement which is contemplated in the present constitutional proposals, there is no chance that I can see of advancing even that single step unless the country is ready to support a very substantial burden of taxation. I reminded the House that the Central Government would, under those proposals, have to sacrifice immediately something like 9 to 11 crores before even thinking of handing over any share in the income-tax.

Now, Sir, it may seem that in relation to a task of that magnitude, the sum which is involved in the present issue is ridiculously small, but it is an important indication of the principles which this House is ready to accept and it is only by the aggregate of these comparatively small sums that the large sums can be made up. I say that, if the House were to accept this amendment, if the House were to commit itself now to the principle that even in these times of extreme emergency it is unfair to take any sort of direct taxation from the people who are earning incomes from Rs. 1,000 to Rs. 1,500 per month, it will have committed itself to something of very considerable importance. It will find it difficult in the future to free its hands from the tie which would be then put upon them, for in considering what sort of burdens can be imposed on the country in the future, there must be some balance. If you are going to eliminate from your direct taxation very large classes, then you will get entirely out of balance. If you seek to recover from that result by making up the difference from the smaller classes that remain, not only will you lose your balance, but you will really come to the point which Honourable Members have so often dealt with, the point of diminishing returns. The body of tax-payers which can be got at through the direct form of taxation on income in India is a very very small apex of an enormous pyramid. Even including all these classes of low incomes, as Honourable Members know, even that will only bring in 350,000 assesses—350,000 in relation to a population of 350 millions. Unless you are prepared to spread the burden at least as low as that, then you are going to make it so top heavy on the infinitesimal apex that remains that you will defeat your own object, for you will cease to recover anything extra by raising the rates of taxation. I



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put it to the House that this is an important matter and, that it has much more important implications than the loss of 35 lakhs which it would impose on our revenue for next year.

Now, Sir, there is also the point which I made about the immediate effects on the Government staff. The immediate effect would be the dismissal of something like 400 to 500 clerks. I quite agree with Mr. Biswas that if justice demands a certain course, if this tax has got to be done away with, then that sort of consideration should carry no weight. But if one is in doubt, if one cannot see the future clearly, if it is not clear that the country will be able to get on without taxation of this kind, particularly having regard to the needs which are coming upon us owing to the constitutional changes, if that is in doubt, then I say this is not the moment to make a big administrative change of that kind which will—and it is merely an illustration of how big the change is—which will throw out approximately 400 or 500 low paid Government servants.

Another point, which I wish to make—a point of detail—is that if this amendment is passed, it will cause very severe upset as regards the actual collection of taxation. In fact if it were to be passed, it would be necessary to make an important consequential amendment—I allude to the effect that it would have on those, who would have to pay income-tax by deduction at source. I do not wish to go into detail now. I see that there is another amendment on the list, the Mover of which seems to have appreciated that difficulty. It would in fact mean, if it is passed without any amendment, that the large class of the tax-payers who suffer deduction of tax at the source would in fact pay no tax at all for the last year. That, Sir, is the position which I have to put to the House that this is really a very important matter of principle. We have now what I maintain to be a well balanced scheme of taxation where the burden is fairly evenly distributed, but if this amendment is passed, it will upset that balance, and the needs which lie upon the Central Government now and the needs which will fall so heavily on the Central Government in future when the Central Government try to help the position of the Provincial Governments, those needs cannot on our present expectation or any expectation, which is justified in present conditions, be met without maintaining a very heavy burden of taxation. But if you make a change now, you are really gambling on the future, and you may, when you take over the responsibility from us, have to retrace your steps. In doing so, you will have lost a tremendous amount of ground, for by maintaining this tax we are improving the position every year, and, as I explained the other day, with an increase in the efficiency with which the tax is collected, the receipts may be expected steadily to expand. I maintain, Government cannot possibly justify altering the system at present when we really cannot say that we can afford to make this change. If things became better, if some of those possible windfalls to which Honourable Members have referred in the course of their speeches were to materialise, then it might be possible to re-consider the position, but at present, and I put it to the House very strongly that at present it is not safe to take this course. The House will be making a very grave mistake if they support this amendment.

**Mr. G. G. Biswas:** Sir, may I ask the Honourable Member one question? Will the Honourable the Finance Member be pleased to say at this

stage, what will be the financial effect of the amendment, which stands in the name of Mr. F. E. James? That is to say, if the rate is four pies in the rupee in the case of those whose incomes are between Rs. 1,500 and Rs. 2,000 and two pies in the rupee for those whose incomes are between Rs. 1,000 and Rs. 1,500; what would be the precise effect of that amendment?

**The Honourable Sir George Schuster:** The effect will be a loss of about 17 lakhs, whereas the net effect of the present amendment would be a loss of 35 lakhs. But there is a further big distinction that the more moderate amendment will involve no administrative changes and that it would maintain the principle that income-earners down to Rs. 1,000 are a fair subject for direct taxation.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

“That in Part I-A of Schedule III to the Bill, for entry (1) the following be substituted:

“(1) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000 . . . Four pies in the rupee.”

The motion was negatived.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The next amendments which will be taken up now are those that stand in the name of Nawab Muhammad Ibrahim Ali Khan in Late List No. 3 and a similar one in Late List No. 4, which stands in the name of Mr. F. E. James.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): Sir, what about the amendment which stands in the name of Mr. Rahimtoola M. Chinoy, that is, two pies in the rupee for an income from Rs. 1,000 to Rs. 2,000?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That is in Late List No. 2: It is perhaps more logical to have 1 P.M. Mr. Chinoy's amendment. Mr. Chinoy.

**The Honourable Sir George Schuster:** On a point of order, Sir. I am not quite clear what the effect of this amendment would be. Would it override the decision of the House which was taken on Saturday that income-tax on incomes below Rs. 2,000 should not be reduced?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): What decision of the House does the Honourable Member refer to?

**The Honourable Sir George Schuster:** The amendment that was rejected on Saturday.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That was for the total omission of the entry: what the House rejected was the amendment of Mr. Mitra that the whole of that entry (1) be omitted. But the amendment of Mr. Chinoy seeks to reduce the rate of four pies in that entry to two pies. Mr. Chinoy.



**Mr. Rahimtoola M. Chinoy** (Bombay City: Muhammadan Urban): Sir, I move the amendment standing in my name:

"That in Part I-A of Schedule III to the Bill, against entry (1), for the words 'Four pies' the words 'Two pies' be substituted."

Sir, my amendment does not require any lengthy observations. I know its fate (*Cries of "No, no"*), but I am moving it, because I am not convinced by the arguments of the Honourable the Finance Member. I must confess that the observations made the other day by the Honourable the Finance Member were a considerable surprise to many of us on this side of the House. As I understand the Honourable Member's remarks, he held out almost a threat to the capitalists that if they were a party to the reduction of the income-tax, he would make them pay for it. I hope, Sir, that that observation was made in the heat of controversy. The capitalist in this country is more bled than in any other. The proportion of the taxes he pays has already diverted a great deal of capital to non-industrial purposes.

One of the arguments of the Finance Member was that the tax-payer we wish to relieve belongs to the non-agricultural classes and is more or less a money lender. I cannot believe that the Finance Member meant it seriously. It is quite possible that he wished to carry his proposition by dividing our ranks. But let the House understand the issue fully and grasp its implications. The man with a small income is very heavily hit by this income-tax, at a time when his resources are strained to the utmost. Many families which had in the old days several breadwinners are now depending upon only one. The retrenchment carried out by public departments and by private concerns has thrown out of employment hundreds of thousands of people, and the position of every person belonging to the lower middle class has become very serious. Because there have not been any demonstrations by the workless or "hunger-marching", it appears to me that the Government have not yet realised the extent and gravity of the unemployment prevailing in the country. The reason for this is not far to seek. Unlike England and other foreign countries, where every person works for his or her living, in our country, because of the peculiar joint family system that exists, often only one member of the family earns while the rest help him only to spend it. If we had a system of dole for the unemployed, the situation would be very menacing indeed. A strong case exists, therefore, for restoring the old limit and making the taxable minimum Rs. 2,000 per year. But I recognise that it is difficult to expect such a thing at a moment of such acute financial stringency and uncertainty. I am, therefore, proposing to halve the burden on the possessor of the small income. In one way my proposal is even better than if the old limit of Rs. 2,000 were to be restored. It will keep in employment the whole of the special staff which was engaged when the new limit was imposed. I understand that there are as many as nearly a thousand men so employed, and it would be a great pity to throw them out of their jobs. The proposal, if accepted, would mean a loss of something like 30 lakhs; and in a budget of so many crores such a loss should not be felt at all. The proposal will meet in some way the point of view always advanced by the Finance Member, namely, that there was no reason why the possessor of the small income should not contribute a little to the coffers of the State. At the same time it will mean halving the burden and spreading out the relief between the whole class of assesseees between one thousand and two thousand. On all these grounds which I have briefly stated I venture to think that the Honourable the Finance Member will realise the

need of giving relief to this class of tax-payer to the extent that I am proposing and that he will not offer the same opposition to the amendment as he did to the raising of the limit. Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Amendment moved:

"That in Part I-A of Schedule III to the Bill, against entry (1), for the words 'Four pies' the words 'Two pies' be substituted."

**Diwan Bahadur A. Ramaswami Mudaliar**: Sir, I beg to support this amendment very whole-heartedly. I have listened to the Honourable the Finance Member during the last two days and realise the extent of the opposition that he is prepared to advance to any reduction in the last class of persons who come under the scope of the income-tax measures. Replying to the debate today on the former motion, he has used every argument in favour of the position that he has taken up, as he is entitled to use. He has tried to suggest a division of interests between the agriculturists and the income-tax payees; he has tried to invoke the aid of the provincial jealousies or provincial patriotism, whichever you may like to call it, so that some of the provinces at least may support him in his opposition. He has tried finally to appeal to the Constitution Act itself and to the proposals for the new Constitution. When the Honourable the Finance Member for a small measure like this invokes the aid of all these things, I, as a non-official, begin to suspect that something is wrong. If it requires these tremendous arguments to sustain the case, then I feel that we are on the right track in trying to reduce the amount of taxation.

Let me take the constitutional position which the Honourable the Finance Member referred to. Sir, it is well known that the Central Government will have, according to these proposals, the resources of personal income-tax only for a short period of time; and, when he talks of this low level being maintained in the interests of the Central Government, he can only contemplate surely the transitional period during which personal incomes will go to the coffers of the Central or the Federal Government. It will be the look out of the Provincial Governments, therefore, to propose the lowering of the income-tax level if they so choose; and, as I understand the proposals of the White Paper, it will be for the various Provincial Governments to meet together and to suggest either an increase in the level of taxation or the lowering of the level of income which will go into the provisions of the Income-tax Act. So that the Central Government, either present or future, need not worry themselves about the prospects of this particular item being removed from taxation, because it will be the look out of those Provincial Governments.

With reference to agricultural and income-tax payees, I do not want any controversy on the floor of the House: we have had enough of it between urban and rural. Income-tax payees are essentially urban people whereas agricultural payees are essentially rural people. But the position is this: we in this Legislature deal with those who pay income-tax. The Provincial Legislatures deal with those who pay agricultural taxes. It is not open to us to give relief to the agricultural payees, much as we should like to; and they have not been keeping quiet in the Provincial Legislatures either: they have agitated; they have got remissions; in my own province very recently a resolution was adopted giving 12½ per cent. remission to

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agricultural assesseees and effect has been given, partially at any rate, in some districts where the prices were most acute. It is not as if we are not feeling that the agricultural assesseees should get some assistance; it is that we are impotent so far as this House is concerned to do anything further in the matter; and, therefore, I see no point at all in the Honourable the Finance Member raising the question of agricultural assesseees and just appositioning it with those who are income-tax assesseees. We should like to have relief for both classes of people. We are unable to do anything in this House. We know that other Legislatures competent to do so have done their level best. We know that some Governments at least at long last have been induced to give some amount of relief to all agricultural assesseees, and I venture to think that their case should not be prejudiced in any way and should receive fair and impartial consideration.

Lastly, with reference to provincial jealousies or provincial patriotism, after all, this is not a case in which Bombay benefits at the expense of Calcutta or the salt consuming Bengalee is penalised at the expense of the rich Bombay or Karachi merchant. This is a case in which the people of all provinces are equally affected. Therefore, I feel that my friend, Mr. Biswas, and others who are willing and anxious to promote and better the financial condition of their province will not be induced to do so at the expense of a class of people who are hardly able to bear this burden.

Secondly, Sir, I should like to place once more before the Finance Member one important consideration. After all, these are classes of people who have got the lowest scales of income, and even if the prices of foodstuffs have fallen, the level of civilization and the level of living has risen. There is no comparison between the conditions which obtained in 1898 to 1919 and the present day conditions. Certainly in 1903 and 1904, you were able to get graduates on a pay of Rs. 15 for acting appointments and who would wait there for three or four years. Does the Honourable the Finance Member suggest that whatever may be the fall in the prices of foodstuffs, we can offer the same wages today or it would be a fair living wage to these people? At that time even a limit of Rs. 500 may not have pressed very hard, because Rs. 500 meant so much more than it means today. The whole trouble is that the rupee has depreciated internally and externally, and the same number of rupees does not mean the same amount of comfort today which one was accustomed to in former days, and, therefore, there is no point in suggesting that this was a level which was maintained for a number of years and, therefore, there need be no difficulty or complaint if we went back to that level.

Now, there is another thing which I should like to point out to the Honourable the Finance Member, and that is that Part III of the Schedule places certain considerations for the assessment of income-tax assesseees. Now, Sir, I do not know how far our rules of procedure permit it; probably they do, otherwise he would not have introduced it. But there is a well known convention in the House of Commons that money bills should not include provisions of this kind. These are methods relating to assessment, how it should be assessed and so on, and these really should have come in a proper amending Bill and should not have found a place as part and parcel of a financial measure. This is well understood in the House of Commons, but perhaps our Standing Orders are defective; our constitution

does not provide for it, and the Finance Member has been able to introduce in a part of his money Bill provisions with reference to the methods of assessment and with reference to the collection of taxes. The fact that it has crept in is obvious from this one consideration, that no Member has chosen to give any amendment on these things at all. If it were a regular amending Bill of the Income-tax Act, I am perfectly certain that much more consideration would have been given to this subject and amendments would have come in from all sides of the House. But apart from that,—and perhaps it is within the competence of the House to deal with it in this manner,—I would like to draw the attention of the House to the extremely rigorous manner in which . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): There are amendments to that part of the Schedule, and the Honourable Member will have a chance of speaking on them later.

**Diwan Bahadur A. Ramaswami Mudaliar:** Thank you, Sir. In this connection I would like to deal with only one question. Let us turn to clause 4 of Part III of the Schedule which says:

"The above procedure shall apply also to the assessment and collection during the financial year 1933-34 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1932-33."

That is to say, the Finance Member proposes to collect a double amount of income-tax from those unfortunate people whom his all-vigilant department, the Income-tax Department, have not been able to approach during the last financial year. These people will, therefore, have to pay in effect eight pies in the rupee. Fancy, Mr. President, a man earning Rs. 1,000 income during this year being called upon to pay eight pies in the rupee, four pies for next year and four pies for the current year? That is what it comes to. Therefore, Sir, I venture to think that this will be a great hardship. We have taken into consideration all the difficulties that the Finance Member has pointed out, and I do not think it will be open even for him to suggest that in the consideration of this very rigorous measure this House has acted in an irresponsible way. A Finance Bill which was rejected by this House and certified by the Viceroy comes in an identical form before this House, and no motion for amendment is carried, and the House, as the Honourable the Finance Member knows, has concentrated its attention on the poorest classes of persons and has tried either to eliminate that class altogether from that taxation or at any rate to give them some little help in reducing the amount of tax which can be levied on them, and, therefore, I think all the responsibility is on our side.

The Honourable the Finance Member the other day spoke of the voice of reason and of Members coming up with their minds made up. I was shocked to find the Finance Member, sitting on the Treasury Bench with a phalanx of gentlemen behind him to whom nothing can possibly appeal because of their official discipline, who, by virtue of their office and by the secret oaths they have taken, are bound to come to this House with their minds made up,—I was shocked to find the Finance Member charging us on this side of the House that we are unable to hear the voice of reason and that we come with our minds made up. Surely, Sir, even the Finance Member, when he is not stretching the point too far in justifying an unjustifiable measure, will realise that we have been only too indulgent to the voice of reason, perhaps more indulgent to the voice of temptation

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than to the voice of reason, and that we have been very often voting much more according to the desires of the Finance Member than we, with our own independent judgment, would have done. Sir, I strongly support this amendment.

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 (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Mr. T. N. Ramakrishna Reddi** (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): The Finance Member has been advancing the argument that we are on the eve of constitutional changes, that we are getting responsibility very soon, that this is not the time for us to meddle with the financial structure he has now built up and that we must make the path easy for the future Indian Finance Member to get revenues for administrative purposes. Sir, if there was any such delusion before, that delusion has been removed after the publication of the White Paper. The future Finance Minister will have no liberty and the Government will be as irresponsible, and they would carry any measure they liked by way of certification or by proposals from the Governor General with his Financial Adviser. So, that argument need not weigh with us in considering the present proposal to reduce the incidence of income-tax for the lower class of people.

In connection with this class of income-tax payees, it is very easy for Government to bring in any sort and kind of people. This class do not generally have any accounts and it is impossible for the Government to get at the right class of persons liable to the tax. Many people, who actually get incomes between Rs. 1,000 and Rs. 2,000, may escape and the innocent may be roped in. So, we moved an amendment to exempt such class of people, but that has been defeated by the Government majority. I appeal to the House to give a certain amount of relief to this class of people by lowering the incidence of income-tax. The Finance Member has a soft corner for the additional staff that is maintained in order to cope with the extra work of the Income-tax Department. By accepting this amendment, he need not dispense with the services of any single member of the staff, because the amendment seeks only to lower the incidence of income-tax and not the taxable minimum income for this class of people. Further, the Finance Member has stated that from the year 1886 to 1919 the minimum taxable income varied between Rs. 500 and Rs. 1,000, and it was only after the year 1919 that the lower amount was raised to Rs. 2,000, and that now in the year 1931 we have only gone to the taxable minimum in existence in 1919. The reason that the Honourable Member put forward is the fall in prices of foodgrains. When the taxable minimum income was raised from Rs. 1,000 to Rs. 2,000, the consideration was that the prices of foodstuffs were really higher by 200 per cent. Now that the prices have gone down, the Finance Member says that there is no real hardship if you reduce the minimum taxable amount to Rs. 1,000.

But, Sir, I would request the Finance Member to apply the very same reasoning in the case of the Lee Concessions. I think he will admit that the Lee Concessions were given at a time when the prices of foodstuffs were about 200 per cent. higher than what they were in the pre-war days, and that was the only reason why the Lee Concessions were given. Now that the prices have fallen, the Finance Member can find an additional income of nearly Rs. two crores if only he will apply the very same reasoning in connection with the Lee Concessions. These are the reasons which prompted me to speak on this amendment, and Government can easily accept this amendment as it would entail a loss of only Rs. 30 lakhs which can easily be made up. With these few words, I support the amendment.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand** (Nominated Non-Official): I sincerely feel that the incidence of taxation in our country is very high. I also feel that there is large room for retrenchment in Government Departments with the exception perhaps of the Army Department. The retrenchments in other Departments are disappointing, but this is not the occasion for ventilating those grievances. Why I am on my legs now is, because, in the able speech which Diwan Bahadur Ramaswami Mudaliar made, he took the Finance Member to task for comparing the lot of the agriculturist with the income-tax paying people. He admitted that it was the rural people on whom the land revenue burden fell while the burden of income-tax fell upon the urban section of the population. Therein we agree, but I dissent from him in his remarks when he said that the land revenue policy was not in the hands of the Government of India and that it was for the Provincial Governments to see how to give relief to the land revenue paying classes.

**Diwan Bahadur A. Ramaswami Mudaliar:** I did not say that.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** That is what I understood to be the gist of my Honourable friend's remarks—that the agriculturist ought to look to the Provincial Governments for relief and that it was not the job of the Government of India to control those sources of taxation.

**Diwan Bahadur A. Ramaswami Mudaliar:** My Honourable friend is entirely misunderstanding what I said, Sir. I confined myself to the powers of this House. I said that no legislation relating to decrease or increase of revenue, so far as land revenue was concerned, could come before this House and that this House could not help the agriculturist classes.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** I am coming to that. We have always been accusing the Government of India for their failure to look after the needs and requirements of such areas as are directly under the Government of India in regard to such beneficent services as agriculture, medical, education and land revenue. Now, there are areas like the Delhi Province itself which are directly under the Government of India and for the land revenue policy of which the Government of India themselves are responsible. It is this House that represents that area and not any Provincial Council and, therefore, the Honourable the Finance Member was perfectly justified in comparing the lot of the poor agriculturist with the income-tax paying classes.

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In this area it is the bounden duty of Government and of the Finance Member to see that, when some taxes are taken off, they should scrape off only those taxes which fall heavily upon the poorest people. Now, he very rightly pointed out that land revenue had to be paid by the smallest landholder whereas in income-tax people up to Rs. 1,000 had to be exempted. May I, with your permission, Sir, carry this comparison a little further? Probably this House does not realise the difficulties of the land revenue paying classes. Every inch of land is taxed and taxed most heavily and in a manner which we do not see in the case of other taxes. For instance, the chief principle underlying the Government of India's policy is that the rich people must pay a higher rate whereas the rate should be lightened when you come down to consider the case of the poor people. Here I may own only one acre of land and my brother may be owning one million acres, but the incidence per acre is always the same. Like the income-tax, there is no system of graded assessment and it naturally falls very hard upon the poorest people. Then, in the matter of realisation, the law is very strict, whereas there are no such hardships in the case of income-tax. For instance, if there is an arrear of Rs. 20 of income-tax against me, my movable property to the extent of Rs. 20 could be taken off by Government, while, if there are arrears of about, say, Rs. 2 against me, all my movable and immovable property worth about thousands could be confiscated by Government for those Rs. 2. That is the Land Revenue law. Then, again, nobody could be sent to jail for arrears of income-tax, whereas, for arrears of land revenue, people could be sent to jail and are being sent to jail. These are some of the grievances of the agricultural classes and I am mentioning them, because my friend, Diwan Bahadur Ramaswami Mudaliar, objected to the Honourable the Finance Member comparing the two classes. I feel that the Government of India in future will not be able to say that for this department they are not responsible because, for the areas that are directly under their control, over those areas they are themselves responsible and if they once set an example in those areas, and if they can change the present unjust land revenue policy in those areas, they are bound to be followed by Provincial Governments. As I said in my previous speech, the position of the Finance Member is not enviable. When the salt tax was being discussed in this House, Member after Member rose and said that the poor people should not be taxed. This tax is telling upon the rich and the poor alike, therefore, it was argued that the poor should be left alone and that the salt tax should be scraped off.

Then, again, there was a small tax on stamps for cheques. There was a demand also for this to go, because it interfered with the activities of the rich people. For if their activities were curtailed, the country would suffer. Poor people could not be taxed, the rich people could not be taxed, and now comes the middle class, and now it is argued that the middle classes should not be taxed. Then, what class should the Finance Member tax? This House voted an expenditure of over 100 crores. Does it look proper for this House to refuse supplies when the Finance Member wants money that has already been sanctioned by this House. I again repeat, lest I may be misunderstood, that I am one of those who would like to see the incidence of taxation lightened very substantially and considerably. There is room for improvement. But no drastic action could be taken. My friend, Mr. Amar Nath Dutt, suggested yesterday

that 20 crores should be taken away from the Army Department. He was perhaps ahead of Mr. B. Das when he suggested that 30 crores should be the rock bottom for the Army Department according to his estimate. If we go on at this rate, by this time next year, we will not have a pie left to be given to the Army Department.

**Mr. H. P. Mody** (Bombay Millowners' Association: Indian Commerce): Why have an Army? Why not have boy scouts?

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadian Rural): Would you send the Army to stop the dacoities in Sind?

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** If any peaceful section of the population is threatened, it would be foolish if the Army were not to be sent there to defend the peaceful section.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadian Urban): On a point of order. Are we on a general debate or is there any specific issue before the House?

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** I was simply suggesting that there was room for cutting down expenditure. Then it will be for us to scrape off the extra burden and, as we have already voted the sum, it is not now proper for us to refuse it.

**Sir Leslie Hudson** (Bombay: European): Sir, I may, at the outset of the few remarks I have to make on this amendment, say that the European Group stand for sound finance as their predecessors have, who have sat on these Benches and it would not be consonant with that expressed policy for them to agree to steps being taken which would result in the present Budget being unbalanced. At the same time, I wish to emphasize our protest against the continuance of the present burden of taxation, more particularly the burden of income-tax and the surcharge which is being inflicted upon trade and commerce and which is clogging the wheels of industry. I particularly wish to protest against the restoration of the remaining half of the ten per cent which the Finance Member informed this House it is the intention of Government to make, as the first relief to be granted when circumstances permit, unless such restoration is simultaneously accompanied by the remission of the surcharge on income-tax.

Sir, I have in a previous speech on this Budget made it quite clear that there is now an overwhelming demand from every part of the country, Indian as well as European, that the weight of taxation under which all classes and all communities are groaning should be a burden to be carried by everyone and that no one class should be singled out for special treatment. That the unfairness in regard to exemption from income-tax has been rectified this year is recognized, but the non-official tax-payers suggest and suggest very strongly that the remission of the cut should not have been promised whilst they, whose pay has been far more drastically cut, are left to carry the burden unaided. And I do not refer only to

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individual tax-payers, but to that multitude of small businesses, small firms who are in any case on the verge or even already on the slope to extinction.

Sir, insinuations were made earlier in the debate that the Finance Member has not been a free agent in this matter; and that there is a very strong feeling to that effect in the mind of the public is certainly the case. Now, if that assumption is correct, I hope my voice will be heard not only by the Finance Member, but in that quarter which has the last word on the subject. (Applause.) As regards the reduction in the rate of income-tax to wage-earners on the lower grades of salary which is proposed by the present amendment, the European Group have a considerable amount of sympathy therewith. (Hear, hear.) At the same time, we are not in favour of narrowing the basis of taxation as was suggested in a previous amendment. The Honourable the Finance Member has asked us to remember that the period of emergency has not yet passed, and with that, Sir, I thoroughly agree. But for that one reason, I maintain that every one should bear the burden, and every one should exercise his patience, as the Honourable the Finance Member has enjoined upon us, until the times improve. As I have said, I am not in favour of narrowing the basis of taxation, but I should not be averse to affording some relief to the wage-earners on a lower scale between Rs. 1,500 and Rs. 1,000 on the lines of the next amendment which stands in the name of Nawab Ibrahim Ali Khan; and if the present amendment is withdrawn in favour of the following one as amended by Mr. James, I and my Group might be prepared to support it. The result can be estimated at a reduction of somewhere about Rs. 17 lakhs or 18 lakhs. That will leave a balanced Budget and it will afford some relief in the direction of direct taxation to a class of the population who find it hard enough to live decently on their salary.

**Mr. B. B. Puri** (West Punjab: Non-Muhammadan): Sir, the case for the Government was very ably put by the Honourable the Finance Member, but it reminds me of the story of a village Jat who every morning found that his sugarcane field was being devastated. He was on the look out to get hold of the thieves. One night he was on watch and he discovered that there were three scoundrels—one a Jat, the other a *Shaukar* and the third a village *kamin* or menial. Well, he just thought over the matter and then said to himself: "Individually and man for man I am stronger than any one of them, but all three of them put together are much stronger than myself, and, therefore, it will hardly be worth the game if I should proceed to measure my strength as against all the three of them." Well, he addressed the men and told them: "Hullo, my good friends, you are very nice people to pay a visit to my sugarcane field. Won't you kindly sit down and let us have a little chat?" So he turned round to the *Shaukar* and said: "Sir, you are the backbone of village life; you supply us with all the money and finance, and we are all very grateful to you. This is not my field, it is just as much yours as mine, and though nominally you are not the owner, virtually you are as much the owner as myself." Then he turned round to the Jat who belonged to his own fraternity and told him: "You are my kith and kin: whether I own this field or you own this field is immaterial, but may I put it to both of you, what has this rascal, the *kamin*, got to do with it? Do you realize, if these village

*kamins* were to get so emboldened as to come and steal sugarcane belonging to a Jat, where we shall be? There will be absolutely no discipline and the result will be that every Jat will be relieved of all his valuables, because these people are apt to go to any length. Therefore, I hope, you will agree with me and co-operate with me in giving this scoundrel a lesson so that he may never try to do such a thing again." So he proceeded to belabour the *kamin*. The *kamin* looked towards the *Shaukar* and the Jat, but they would not render any help to him. So, after he had smothered that man to his heart's content, he made him run away from the scene and then he turned round to his Jat brother and said: "You are my brother. This scoundrel is a *Shaukar*. He has sucked all my blood, and now on top of it he comes and steals my sugarcane. What do you say? Hadn't we better give him a good lesson?" Thereupon the two Jats turned round and gave the *Shaukar* a good beating, and the *Shaukar* fled. Then he addresses the Jat, and says: "Now, my dear fellow, those people did not know, as you should have known, the value of his crops to a zamindar: You of all people should not have come and joined those scoundrels in stealing my sugarcane", and then he gave him a good beating. The result was that by these methods he used his brains a bit and he was able to smother all three. Well, I find that is the sort of argument which has been resorted to by the Honourable the Finance Member in dealing with this present amendment. (Laughter.)

The Honourable the Finance Member says that the agriculturists have been made to contribute so much to the Government revenue that there does not appear to be any reason why the middleclass people should not also be called upon to pay. Thereby he was expecting to enlist the sympathy of a particular class of people. Then he turned round to the capitalist and told him: "You people thoughtlessly and unconsciously are recommending that this particular tax should not be assessed, but in a very short time you will find that that will bring about a result which will recoil upon your own shoulders"—so that there he is practically and virtually employing the same methods though using slightly different language from the language used by that Jat in the other case. (Laughter.) Sir, this kind of argument will hardly do. We should approach the subject and take this particular amendment on its own merits. It was a very apt remark made by my Honourable friend, the Mover of this amendment, Mr. Chinoy, when he said: "Do not be misled by the fact that there have been no demonstrations, and there has been no propaganda by that class of people." They have not raised any storm against the imposition of this tax up to this time. But, you should not be misled into thinking that the people are very happy and that the people are indifferent and that they have, therefore, the capacity to bear this burden. That, again, reminds me of a story where John and Mary, husband and wife, happened to go to a meeting. There was a shortage of chairs. John sat on the chair and Mary, who was a bulky woman, sat on John. Thus they kept sitting for a long time. After an hour or so somebody who was on his legs and was in the habit of making a long speech—I hope I am not—sat down. So, Mary turned round and said to John: "Are you not feeling tired?" John replied: "No, my dear, not now. I was tired about an hour ago, but now I am only paralysed." (Laughter.) Sir, some people are in the habit of telling a man who is suffering from pain that he should not feel that there is any pain. By your excessive imposition, the people's capacity has been over-reached and now they have actually become paralysed.



[Mr. B. R. Puri.]

Let me now address myself very briefly to the arguments which were advanced by my Honourable friend from the Punjab, who is a nominated Member, Captain Lal Chand.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): But he is a Jat.

**Mr. B. R. Puri:** His sugarcane was also stolen. If I understood his argument correctly, it really came to this. He was pleading on behalf of a very oppressed class, namely, the agriculturists. His argument was that these poor, wretched people, whose income has now dwindled down considerably, are still being made to pay and contribute towards the Government revenue more than it is their capacity to do, and that the methods and the remedies employed for realising the Government dues are so harsh that those people are being very seriously harassed in the payment of their money. I grant that, because what the Government are prepared to do is not a fair imposition according to the lights of my learned friend, and the method of realisation is also harsh. Does that logically lead us to the conclusion that, because the Government are doing something in that particular direction and in that particular instance, therefore the same process should be repeated when dealing with non-agriculturists?

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** I have been misunderstood. My point was that when certain taxes have to be remitted and the question of priority has to be decided by the Treasury Benches, then they should take that sort of taxation first and anything else afterwards.

**Mr. B. R. Puri:** It is not within our power to entertain that question. When he says that, he is out of court. It is not open to us to go into that question. For that there is a separate and different process and you should invoke the aid of the Local Council on that behalf.

**Hony. Captain Rao Bahadur Chaudhri Lal Chand:** There is no Local Council for the Delhi Province.

**Mr. B. R. Puri:** My learned friend's statement comes to this: I am open to conviction, but I should like to meet a man who would convince me. On the merits, I heartily support this amendment. It has worked a great hardship upon a particular class of people who are not in a position, having regard to the present distress which is prevailing in the country, to pay this amount. Therefore, it is only a just and legitimate demand which is involved in this amendment and I support it.

**The Honourable Sir George Schuster:** Sir, I am very grateful to my Honourable friend for adding a little touch of picturesqueness to the last stages of this debate. I was not able to follow exactly the first story that he told about the three scoundrels, but I asked my Honourable friend, the Law Member, whether he had been able to follow it in its details. He said: "Yes; and it is entirely to your credit." (Laughter.)

**Mr. B. R. Puri:** I am sorry he has misunderstood me then.

**The Honourable Sir George Schuster:** He said: "The story was this. The man was the rightful owner of the field and by setting those three scoundrels against each other he was able to protect his own property, just as you are trying to protect, in the public interest, the revenues of the Government of India." (Laughter.) I fancy that this is a very effective answer.

Sir, the House has already heard me on the general case three times and I do not propose to go over all the arguments again, but there have been one or two points raised in this particular discussion which I can hardly leave unanswered. My Honourable friend who moved the amendment made some reference and expressed surprise at what he described as a threat which I had administered to the capitalists of the country. Sir, my Honourable friend must have completely misunderstood the spirit in which I spoke. I certainly desire to do nothing to threaten anybody. It is not in my power to hold out threats of that kind, for, whatever may be consequences of any action taken now, it will not lie in my hands to deal with the after-effects of those consequences. What I was trying to point out to the House was that if they take a certain line of action now, that inevitably will have certain consequences. How exactly those consequences will be distributed, I cannot say. But if anybody thinks that by reducing this particular burden now, they are going to lighten the task in the future or make the way clear for relieving other interests, then I do warn them that any weakening of the position now may have precisely the contrary effect. That, Sir, is a warning which in all sincerity I gave to the House. Nothing could have been further from its nature than that it was anything like a threat.

Then, Sir, my Honourable friend, Diwan Bahadur Mudaliar, made great play with the strength with which I had defended this particular case and he said that as I had thought it necessary to make two or three elaborate and serious speeches on such a small matter, there must be something behind it. Sir, there is a good deal behind it and I am prepared to tell the House what lies behind my own mind in this matter. But I would, in the first place, like to retort on my Honourable friend, and say that when I find an advocate of his ability and general accuracy of statement using the sort of arguments which he thought it fit to use, then, I have a shrewd suspicion that his case is an extremely weak one. Sir, what was behind my words in this matter? I really asked the House to take into account what are likely to be the future financial needs and what is likely to be the future financial position of the Federal Government. I pointed out to them that now although as every one knows, our position looks very much better than it intrinsically is owing to the adventitious support to our imports which is given by the export of gold, still even with all these measures of taxation we are only just able to balance the Budget. Then I reminded the House that there lies before us a constitutional plan aimed at redistributing the sources of revenue and very materially strengthening the position of the Provincial Governments. My Honourable friend, Mr. Reddi, in speaking misinterpreted my argument. He said that I had argued on the ground that Members of the Opposition would in future have to carry the responsibility and that the White Paper made it quite clear that they would not. That, Sir, is a sentiment and a conclusion from the White Paper with which I most profoundly differ. But it has nothing whatever to do with my argument. My argument is this that the White Paper discloses a financial plan which means that the Central Government has got to surrender very



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substantial sources of revenue. I reminded the House of what those were; that the separation of Burma, if that goes through, would involve a loss of about three crores; that the surrender of half of the jute tax to Bengal would involve a sacrifice of about two crores; that help to the deficit provinces, Sind, Orissa, Assam, etc., would involve a sacrifice of about two crores; that the setting up of a Reserve Bank would involve a loss to Government revenues under the Currency head, at least in the earlier years, of something very substantial which we might put again at about two crores; and that various other features had to be faced immediately, and that on top of that the plan on which all people interested in the provinces were now counting was, that a portion of the income-tax, somewhere between three-fourths and a half, should also be surrendered to the provinces. I said that, taking into account the difficulties of the present situation, the possibility that it may deteriorate considerably before it gets better, there could not be any chance of the Central Government being in a position to do those things for the provinces unless the Central Government were prepared to maintain a very heavy burden of taxation. I, therefore, ask the House to consider very carefully, before they vote, the effect of the abolition of one feature in our present plan which, I maintain, is a necessary feature in order to give that plan a proper balance. Sir, in all this there is no attempt to arouse provincial jealousies as my Honourable friend said. It is not a case of inter-provincial jealousies. We are simply dealing with the interests of the Provincial Governments, and, when we talk of the interests of the Provincial Governments, we do not mean anything different from the interests of the Federal Government, but we mean the purposes on which the Provincial Governments have to spend their money, beneficial services like education and public health, etc., for which the Provincial Governments are mainly responsible and which all Honourable Members opposite would like to see developed. There is no question of arousing jealousies here. There is merely a desire to ask the House to consider the position on its merits and to face realities in a way in which, I maintain, they have not yet been faced. Sir, if one faces realities, I say one cannot avoid the conclusion that if there is to be any chance of starting the new constitutional plan and fulfilling any portion of those hopes which are now being entertained, then the Federal Government must be prepared to maintain a very heavy burden of taxation. **That being the position, I put it to Honourable Members, is this the time to mess about with the whole frame-work of our plan? And I warned them very seriously that to take away one of the important features without considering the future would be doing something which they themselves might in the future regret.**

Now, Sir, my Honourable friend again in dealing with the balance, which I asked the House to consider, between the burdens that are put upon the agriculturist and the non-agricultural classes, made a point that it was not open to this House to consider the interests of the agricultural classes, because the direct levy to which I referred was land revenue and was in the power of the Provincial Governments. Now, Sir, that might have been a good argument if I had criticised Honourable Members for not speaking about land revenue and matters of that kind. But I had done nothing of the sort; I asked the House to consider what was a properly balanced system of taxation, and when one is considering that matter, one must consider the position of India as a whole. The mere

fact that income-tax now is a Central Government source of revenue and land revenue depends on the action of the Provincial Governments does not mean that, as far as the individual is concerned, he is affected by that difference. The same individuals have to pay Central and provincial taxes and what we have to consider in any action which we take now in this House is what is the position of those on whom we are seeking to impose burdens. Are those people affected by burdens under the taxation of the Provincial Governments? And the point which I put to the House was that no one has ever raised the case of the agriculturist. The poorest agriculturist has to pay land revenue not on his net profits, but on his gross receipts, whereas in this case we are seeking to get at a class of individual who is at present exempt from direct taxation. And all that we are seeking to do is to maintain a levy of two per cent., on his net profits. Sir, I maintain that that is an entirely justifiable burden, at least relatively in present conditions. But apart from that, in the case of this particular amendment, there is a very direct connection between the two; because I would remind the House of what I said this morning that what we desire to do is, out of any surplus that we may realise this year, to give a definite relief to the Provincial Governments. If a sum, such as is involved in this amendment, is lost to us and if, as I said, this morning, our estimates are correct, then our surplus would be reduced from 42 lakhs to about five lakhs, and any desire that we have to help the Provincial Governments will be rendered nugatory, because we shall not be in a position to do it. That, Sir, brings the two points into very direct connection, because the power of the Provincial Governments to do anything to relieve their own land revenue payers must depend on their own financial position, and we desire, if it is possible, to help them at least to a small extent.

Then, Sir, my Honourable friend had something to say on part III of the Schedule. As you yourself pointed out, Sir, there will be another occasion for dealing with that matter. I would only like to say that in part III of the Schedule we are merely repeating what was provided for in the Finance Act of last year and that those provisions are provisions designed in the interests of the assessee. The assessee is given the option to escape having to render a return of his income, and this summary procedure was introduced entirely for the convenience of the assessee. It has not been included as an amendment of the Income-Tax Act, because for the present we are treating these particular taxes as provisional and emergency taxes. If, however, the position is accepted that they ought to become permanent features in the system of taxation of the country, then obviously it will be appropriate to incorporate the provisions of that part of the Schedule in the Income-tax Act.

Now, Sir, on the merits of this particular amendment, the loss to Government would be something like 97 lakhs. That, I say, is most undesirable for us to incur. Apart from that, it would, I would put to the House, create a very undesirable and illogical position as regards the burden of income-tax. It would mean this that from Rs. 1,000 to Rs. 2,000 the tax would be two pies in the rupee. Then, at the 2,000 limit, the rate would suddenly jump to, with the present surcharges, to 7½ pies in the rupee. That, I submit, is quite an unjustifiably steep step. The man who has just over Rs. 2,000 should pay at the rate of 7½ pies in

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the rupee and a man who is just under Rs. 2,000 would pay only at the rate of two pies in the rupee.

**Diwan Bahadur A. Ramaswami Mudaliar:** With the surcharge it will be 2½ pies in the rupee.

**The Honourable Sir George Schuster:** On these lower incomes there is no surcharge. They are treated as part of the emergency taxation and there is no surcharge. I do maintain that it is an unreasonable position and it throws a light on this whole proposal which I doubt if my Honourable friends, who have spoken in favour of it, have properly appreciated. Sir, those are the two main grounds on which I would object to this amendment. I can only repeat again that our position is a very tight one. There is no margin to play with. We desire to have a margin, because we desire to give certain help to the Provincial Governments. I maintain, Sir, that the House would do far better to allow the present basis of taxation to remain undisturbed until we can really feel that the position has improved and until we have a realised margin with which to deal.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Part I-A of Schedule III to the Bill, against entry (1), for the words 'Four pies' the words 'Two pies' be substituted."

The Assembly divided:

AYES—47.

Abdul Matin Chaudhury, Mr.  
Abdur Rahim, Sir.  
Azhar Ali, Mr. Muhammad.  
Badi-uz-Zaman, Maulvi.  
Bagla, Lala Rameshwar Prasad.  
Bhuput Singh, Mr.  
Chinoy, Mr. Rahimtoola M.  
Das, Mr. B.  
Dutt, Mr. Amar Nath.  
Goar, Sir Hari Singh.  
Gunjal, Mr. N. R.  
Harbans Singh Brar, Sirdar.  
Hoon, Mr. A.  
Ibrahim Ali Khan, Lieut. Nawab  
Muhammad.  
Ismail Khan, Haji Chaudhury  
Muhammad.  
Isra, Chandhri.  
Jadhav, Mr. B. V.  
Jehangir, Sir Cowasji.  
Jha Pandit Ram Krishna.  
Jog, Mr. S. G.  
Joshi, Mr. N. M.  
Kyaw Myint, U  
Lahiri Chaudhury, Mr. D. K.  
Lalchand Navalrai, Mr.

Liladhar Chaudhury, Seth.  
Maswood Ahmad, Mr. M.  
Mitra, Mr. S. C.  
Mody, Mr. H. P.  
Muazzam Sahib Bahadur, Mr.  
Muhammad.  
Mudaliar, Diwan Bahadur A. Rama-  
swami.  
Murtuza Saheb Bahadur, Maulvi  
Sayyid.  
Neogy, Mr. K. C.  
Parma Nand, Bhai.  
Puri, Mr. B. R.  
Ranga Iyer, Mr. C. S.  
Reddi, Mr. T. N. Ramakrishna.  
Roy, Rai Bahadur Sukhranj.  
Sant Singh, Sardar.  
Sarda, Diwan Bahadur Harbilas.  
Sen, Pandit Satyendra Nath.  
Shafec Doodi, Maulvi Muhammad.  
Singh, Mr. Gaya Prasad.  
Sitaramaraju, Mr. B.  
Sohan Singh, Sirdar.  
Thanupan, Mr. K. P.  
Uppi Saheb Bahadur, Mr.  
Ziauddin Ahmad, Dr.

NOES—57.

Abdul Hye, Khan Bahadur Abul  
Hasnat Muhammad.  
Acott, Mr. A. S. V.  
Ahmad Nawaz Khan, Major Nawab  
Allah Baksh Khan Tiwana, Khan  
Bahadur Malik.  
Amir Hussain, Khan Bahadur Saiyid.  
Anklesaria, Mr. N. N.  
Bajpai, Mr. G. S.  
Bhore, The Honourable Sir Joseph.  
Biswas, Mr. C. C.  
Clow, Mr. A. G.  
Dalal, Dr. R. D.  
DeSouza, Dr. F. X.  
Dutt, Mr. G. S.  
Dutt, Mr. P. C.  
Fox, Mr. H. B.  
Gidney, Lieut.-Colonel Sir Henry.  
Gwynne, Mr. C. W.  
Haig, The Honourable Sir Harry.  
Hezlett, Mr. J.  
Hudson, Sir Leslie.  
Ishwarsinghi, Nawab Naharsingji.  
Ismail Ali Khan Kunwar Hajee.  
James, Mr. F. E.  
Jawahar Singh, Sardar Bahadur  
Sardar.  
Lal Chand, Hony. Captain Rao  
Bahadur Chaudhri.  
Leach, Mr. A. G.  
Mackenzie, Mr. R. T. H.  
Megaw, Major General Sir John.

Metcalfe, Mr. H. A. F.  
Millar, Mr. E. S.  
Misra, Mr. B. N.  
Mitchell, Mr. D. G.  
Mitter, The Honourable Sir  
Brojendra.  
Muzumdar, Sardar G. N.  
Naghejee, Rai Bahadur S. C.  
Nihal Singh, Sardar.  
Noyce, The Honourable Sir Frank.  
Pandit, Rao Bahadur S. R.  
Rafuddin Ahmad, Khan Bahadur  
Maulvi.  
Raghbir Singh, Kunwar.  
Raisman, Mr. A.  
Rajah, Rao Bahadur M. C.  
Rastogi, Mr. Badri Lal.  
Rau, Mr. P. R.  
Ryan, Sir Thomas.  
Sarna, Mr. R. S.  
Schuster, The Honourable Sir George.  
Scott, Mr. J. Ramsay.  
Seaman, Mr. C. K.  
Sher Muhammad Khan Gakhar,  
Captain.  
Singh, Kumar Gupteshwar Prasad.  
Singh, Mr. Pradyumna Prasad.  
Smith, Mr. R.  
Tottenham, Mr. G. R. F.  
Vachha, Khan Bahadur J. B.  
Yakub, Sir Muhammad.  
Yamin Khan, Mr. Muhammad.

The motion was negatived.

**Lieut. Nawab Muhammad Ibrahim Ali Khan** (East Punjab: Muhammadan): \*Sir, I rise to move the amendment standing in my name in this form:

"That in Part I-A of Schedule III to the Bill, for entry (1) the following be substituted:

- (1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500 . Two pies in the rupee.  
(1-A) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000 . Four pies in the rupee."

This amendment aims at protecting those in service and those claiming an income of less than Rs. 1,500 a year against the trouble in which the zamindar is involved today. I can from personal experience state that during the last Civil Disobedience Movement whatever part was taken by the illiterate masses, the zamindar classes or other people, was due primarily to this factor. They had no real sympathy with the movement, nor had they fully understood the real object behind it. The difficulties that have confronted the zamindar during the past two or three years need no recapitulation. It would be no exaggeration to state that the majority of the agricultural classes have not been able to make their two ends meet after satisfying Government dues. In fact those that participated in the movement were largely those who had to pay rather heavy taxes on their land and were, for that reason, not able to help themselves. This

\*Translation of the original speech delivered in the vernacular.

[Lieut. Nawab Muhammad Ibrahim Ali Khan.]

being so, any person or movement offering to rescue them from financial difficulties naturally caught their imagination, and they turned to one or the other in order to shake off their financial burden. I, for one, would rather ask Government not to involve people, low-paid or with less income, in social and financial difficulties by imposing an additional burden of taxes, lest, fed up with Government demands, they should turn to take part in unlawful activities and join movements detrimental alike to the law-abiding people and to Government. At the present times even an income of Rs. 100 per mensem would not suffice for a respectable family man; and if he has one or two school-going children, the educational expenses are likely to go up to Rs. 50 or 60 a month. The balance of Rs. 40 can hardly help him on in feeding and clothing his family and keeping a servant to boot. Any increase in the tax, however slight, is, therefore, enough to upset him and breed disaffection in him, however loyal he may have been in the past. And this is true both for those in profession or for those in the service of the Sarkar.

Government's own proposal is to impose a tax of four pies on incomes above Rs. 1,000 and up to Rs. 2,000. But if only two pies were imposed between Rs. 1,000 and 1,500, they won't lose much. On the other hand, the small margin of loss to the Treasury would more than compensate them in the gratitude and good-will that people would naturally feel for the Sarkar. After all, from the point of view of politics, too, the peace of mind of millions of people would carry a value far greater than that carried by a few lakhs of silver coins which, in the event of my amendment being carried, would not flow to the Treasury.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Amendment moved:

"That in Part I-A of Schedule III to the Bill, for entry (1) the following be substituted:

- (1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500 . Two pies in the rupee.  
(1-A) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000 . Four pies in the rupee."

**Mr. N. R. Gunjal** (Bombay Central Division: Non-Muhammadan Rural): (The Honourable Member spoke in the vernacular.)

[During his speech Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) vacated the Chair which was occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

**Khan Bahadur Makhdum Syed Rajan Bakhsh Shah** (South West Punjab: Muhammadan): \*Sir, I rise to support the amendment of my Honourable friend, Nawab Ibrahim Ali Khan, which proposes the rate of income-tax as two pies in the rupee upon income between Rs. 1,000 and Rs. 1,500, and four pies in the rupee upon income between Rs. 1,500 and Rs. 2,000.

Experience has taught us that people having an income of Rs. 600 or Rs. 700 have been assessed with income-tax and forced to pay it. Undoubtedly the rate of income-tax suggested by the Finance Member

would operate very harshly upon poor people but the amendment would afford some relief to poor tax-payers. I, therefore, support the amendment.

**Major Nawab Ahmad Nawaz Khan** (Nominated Non-Official): Sir, I oppose the amendment. It has been often said that those who propose such an amendment as this are in favour of the poor. I should like to know first of all what is the definition of the poor man.

Sir, the day before yesterday, Honourable Members were enjoying the party given by the Ruling Princes, and I was one of them, and I asked some of the Princes why they had appeared in such simple and plain dress. Many of them replied that they were very poor and could not afford to have rich dress. If this is the standard of a poor man, then, I am afraid, Government will not be able to impose any taxes on anybody. If Honourable Members are really anxious to know people getting incomes less than Rs. 1,000 yearly, then they should go to the cinema theatres and to the shops of the sweetmeat sellers, and they will see what a lot of money is wasted by these people, and if you see what they waste each month on luxuries, you will be satisfied that they are not poor and this tax will not be a heavy burden to them at the end of the year. Generally, the classes to be taxed are money-lenders, ordinary Government clerks or shopkeepers or some dull pleaders who are not very successful in their profession. One thousand rupees income cannot be exempted from payment of income-tax, because if you compare the income of that man with the income of an agriculturist, you will see who the real poor man is.

My friend, Nawab Ibrahim Ali Khan, and my friend, Khan Bahadur Makhdum Syed Rajan Bakhsh Shah, have very rightly represented the cause of the agriculturists, and I say that if all people are to be treated like the agriculturists, I shall be the first person to oppose anything that will mean a burden on the tax-payers. Honourable Members are aware that 80 per cent. of the population in India are agriculturists, and not one speaker has come forward and spoken for them nor have they asked that the taxes of the agriculturists should be reduced. If you have any real sympathy for the poor man, you must give relief to that 80 per cent. of the population, and not to the 10 per cent. or 15 per cent. of the people who are not poor at all. If you compare the income of an ordinary money-lender or a shop-keeper or an ordinary trader with that of an agriculturist, you will see that the agriculturist whose yearly income often does not exceed Rs. 100 or Rs. 200 will be more hard up. According to the present rate of income-tax, if Honourable Members will make a calculation, they will find that, while the poor agriculturists have to pay nearly Rs. 70 or Rs. 50 out of a thousand rupees, other people whose earning is Rs. 1,000 or over have to pay only Rs. 21 a year. Can anybody honestly believe that this Rs. 21 is a burden to a non-agriculturist? If Honourable Members will care to make inquiries into the expenditure the people incur for cinemas and other luxuries, they will find that the tax they are called upon to pay is not equal to even one-tenth of the money they waste in luxuries each month. It is said by some people that it is necessary for people to go to cinema for recreation purposes, while for paying Government taxes they say they are very poor people and cannot afford to pay even Rs. 21 a year, and the agriculturists should pay nearly 75 per cent. out of the Rs. 100 or Rs. 200 which is their yearly income. Will the Honourable Members ponder over this point impartially?

\*Translation of the original speech delivered in the vernacular.

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LEGISLATIVE ASSEMBLY.

[27TH MARCH 1933.]

[Mr. Lalchand Navalrai.]

I will take up one or two of the points made by the Finance Member yesterday. His main point touched me a bit, namely, that several employees of the Income-tax Department would have to be discharged, and he said that in these days of unemployment it would not be a discreet thing to do away with so many employees of the Income-tax Department. That appeal had some effect on me, but may I say that that difficulty does not arise on this amendment, because whether you collect two pies in the rupee or four pies in the rupee, you will have to keep the same staff to collect the tax. The second point of the Finance Member, which was his watchword, was that he will be deprived of so much revenue in these days when he wants money to balance his Budget. With regard to that, a question was put this morning by Mr. Biswas and the reply was that the loss on account of accepting this amendment would be only about Rs. 17 lakhs. Not to accept an amendment of this kind, on account of this paltry sum—I should call Rs. 17 lakhs in such a huge Budget so—would be utterly unreasonable.

Then, Sir, it is said that if he yields to a small extent, the House would ask him to yield more and more. I do not think the House is so unreasonable. Then the other ground that he has put forward is that he is in a difficult position, because he will be forced to contribute for the purpose of separating certain provinces and give money for that purpose. I do not appreciate why His Majesty's Government should have put that difficulty at this juncture. So far as Sind is concerned, my Honourable friend rightly apprehends that he will be asked to give 80 lakhs every year as a subvention to carry on the Sind Administration. The intelligent section of Sind do not want to be separated and I do not think that the poor people should be asked to pay tax for the separation of Sind.

**Mr. Deputy President** (Mr. Abdul Matin Chaudhury): I do not think we are discussing the separation of Sind.

**Mr. Lalchand Navalrai:** I am answering one of the grounds put forward by the Honourable Member. However, I will not enlarge upon it. Then it was urged that there will be disparity in the treatment given to an agriculturist and the income-tax payer. With regard to that, may I not say, that in the case of assessment, wherever the agriculturist does not get any income, he gets remission and I would put a direct question to Khan Bahadur Vachha, who is present in the House, whether there are any income-tax payers who escape paying income-tax in similar circumstances. So, even in this case, the question of the agriculturist does not arise. The agriculturist has been getting advantage of the remission in the provinces, because it is a provincial subject. So far as that point is concerned, I submit, that does not add to the reasons for not accepting this motion. This motion is a very modest one and I would once again appeal to the Honourable the Finance Member to satisfy these Benches in regard to this matter.

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly Non-Muhammadan Rural): The amendment was of such a nature that when it was about to be moved, I did not think of speaking at all, but my

friend, Mr. Lalchand Navalrai, has provoked me into making a little speech. So far as I am concerned, I think it is absolutely necessary to make it clear that if the question was *res integra*, if it was a question of taxing these men with small incomes, for the first time, I am against it. My sympathies are in their favour. I remember the late Mr. Gokhale objecting to Non-Official Members expressing their sympathy, because where officials express sympathy they can at least give some money. What is the sympathy of a non-official worth, he used to ask. All the same, I cannot help saying something in view of the attitude that I had assumed in certain amendments regarding this assessment of the smaller income. I think I ought to make my position clear that, if the question as I said was *res integra*, I am certainly against this taxation, but when it comes to a question of comparing it with the tax on land, you find that, according to Lord Curzon's standard, you have to pay 50 per cent. of your net income. As a matter of fact, as I said on another occasion, it works out from 65 to 75 per cent. according to the Presidency in which you live. Surely it is necessary to look back and say, is it right to shed tears over the assessment in respect of these men's income when it is up to a thousand rupees, and is it right to ignore the agriculturist income. Two arguments were put forward. One argument which was put forward by my friend, Mr. Ramaswami Mudaliar, has been answered by the Honourable the Finance Member and, therefore, I would not take the time of the House over it. I do not know if my friend, Mr. Lalchand Navalrai, has got land or whether his lands are governed by the rules of remission that we have got in *ryotwari* lands. This remission, that he says we are entitled to, is a question which it would have been much better.

**Mr. Lalchand Navalrai:** There is a remission as well as a revision in Sind. Therefore I said so.

**Raja Bahadur G. Krishnamachariar:** I do not quite follow what a revision is, but I know exactly what a remission is. The way in which the remission works is this. In the Madras Presidency, except where you have got very very small holdings, three or four acre plots are surveyed and they are given a separate number and if one-tenth of that portion of the number the tenant has grown something—it may not yield anything—the man comes and inspects that the transplanted has grown to a certain height, and he records that one-tenth of the crop has been raised. He is not present at the time of the harvest and I may go and cry myself hoarse. No remission is granted. That is the rule. No doubt Lord Curzon, in his land revenue policy, has said with great bombast a great deal about this remission, but when you investigate this question of remission and the way it actually works, you find there is very little relief but, Sir, I do not put my argument upon that. So far as the taxation on land is concerned, the income is a matter of extreme doubt as compared with the income of thousand rupees a year and more upon which the man is to be taxed. There is at least some criterion upon which you can proceed in order to determine whether the man's income is a thousand rupees or above or below. He does not keep accounts I know, but if he habitually lends money at 150 per cent. per annum, why does he not keep an account? I can quite understand a petty shopkeeper not keeping accounts, but there is absolutely no excuse in the case of money-lenders, why they should not

[Raja Bahadur G. Krishnamachariar.]

keep accounts. Therefore, Sir, whether it is upon the ground of the certainty of the income, whether it is upon the ground of proportion, I say that, in this particular instance, these men are not entitled to any consideration so long as the land revenue assessment stands so high.

**The Honourable Sir George Schuster:** I am quite sure that the House does not wish to hear me at very great length on the last of these amendments. I think perhaps that there is only one man here today who may have enjoyed himself and that is my Honourable friend, Mr. Lalchand Navalrai, who always likes talking about income-tax and has had four or five opportunities to do so today. It has indeed been a regular field day for my Honourable friend from Sind. For myself, I have said practically all that I have got to say on this question. If there had been any room for elasticity on the Government side, this is the sort of amendment which we might have been inclined to accept, because it does allow an even gradation of the tax; but for us to accept such an amendment would give an entirely misleading impression of our view of the situation. In our view, there is no room for concessions. In our view there is no substantial injustice in maintaining the tax at its present rate down to Rs. 1,000 per annum. That is our view on the one side; and on the other side we are very genuine in our desire to realize a margin which will enable us to give some moderate assistance to the Provincial Governments. And although it may be said in relation to a Budget of 124 crores that a sum of 17 lakhs seems very insignificant, nevertheless, from the point of view of the Provincial Budgets, the question whether we have this sum or not may make a very substantial difference. Honourable Members are inclined to think, when they have dealt with the Budget as a whole, that a sum like 17 lakhs is small, but I would remind them of the many urgent demands which have been made upon us lately, where we have had to say that there is no margin for relaxation. There have been mentioned several times in the course of the debate on the Budget and on the Finance Bill questions like those relating to the restoration in full of the grants to the Universities of Benares and Aligarh, as to which sums of only Rs. 30,000 in each case were involved. But although we have shown our sympathy and promised to treat those cases with sympathy, if we find, as the year progresses, that there is any margin, unfortunately for the moment we have had to say that we can rely on no margin for meeting those demands.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

Now, if I were to take that line as regards the demands referred to for Rs. 30,000 and then on the other hand to say that a sum of Rs. 17 lakhs was a sum about which I need not bother, I should not only be inconsistent, but altogether unfair to those interests that have made these requests—requests which I am anxious to grant if we find there is money available for it. These are only samples of the cases that have to be considered by those who are responsible for the finances of the country and I feel sure that if we were to reveal all that we have had to refuse and all that we desire to find room and to make grants for, then no one would press upon me the argument that I can well afford to face a sacrifice of

17 lakhs. On these grounds, I must oppose this amendment as strenuously as any other of the amendments which I am glad to see the House has today rejected.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The original amendment was:

"That in Part I-A of Schedule III to the Bill, for entry (1) the following be substituted:

- '(1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500 . Two pies in the rupee.  
(1-A) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000 . Four pies in the rupee.'

Since which a further amendment has been moved to this amendment:

"That to Part I of the amendment the following proviso be added:

- 'Provided that for the purpose of any assessment to be made for the year ending 31st March, 1934, the rate of income-tax applicable to such part of the total income of an assessee as is derived from salaries or from interest on securities paid in the financial year 1932-33 shall be four pies in the rupee, and for the purposes of refunds under sub-section (1) or sub-section (3) of section 48 in respect of dividends declared in the year ending 31st March, 1933, or of payments made in the said year of interest on securities or salaries, the rate applicable to the total income of the person claiming refund shall be at the rate of four pies.'

The question I have to put is that this proviso be added to the original amendment.

The motion was adopted.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Part I-A of Schedule III to the Bill, for entry (1) the following be substituted:

- '(1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500 . Two pies in the rupee: (Provided that for the purpose of any assessment to be made for the year ending 31st March, 1934, the rate of income-tax applicable to such part of the total income of an assessee as is derived from salaries or from interest on securities paid in the financial year 1932-33 shall be four pies in the rupee, and for the purposes of refunds under sub-section (1) or sub-section (3) of section 48 in respect of dividends declared in the year ending 31st March, 1933, or of payments made in the said year of interest on securities or salaries, the rate applicable to the total income of the person claiming refund shall be at the rate of four pies.)

- (1A) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000 . Four pies in the rupee.'

The Assembly divided:

AYES—59.

Abdul Matin Chaudhury, Mr.  
Abdur Rahim, Sir.  
Anklesaria, Mr. N. N.  
Anwar-ul-Azim, Mr. Muhammad.  
Azhar Ali, Mr. Muhammad.  
Badi-uz-Zaman, Maulvi.  
Bagla, Lala Rameshwar Prasad.  
Bhuput Singh, Mr.  
Biswas, Mr. C. C.  
Chinoy, Mr. Rahimtoola M.  
DeSouza, Dr. F. X.  
Dudhoria, Mr. Nabakumar Sing.  
Dutt, Mr. Amar Nath.  
Fox, Mr. H. B.  
Gidney, Lieut.-Colonel Sir Henry.  
Gour, Sir Hari Singh.  
Gunjal, Mr. N. R.  
Hari Raj Swarup, Lala.  
Hoon, Mr. A.  
Hudson, Sir Leslie.  
Ibrahim Ali Khan, Lieut. Nawab  
Muhammad.  
Ismail Khan, Haji Chaudhury  
Muhammad.  
Jadhav, Mr. B. V.  
James, Mr. F. E.  
Jog, Mr. S. G.  
Joshi, Mr. N. M.  
Kyaw Myint, U  
Lalchand Navalrai, Mr.  
Liladhar Chaudhury, Seth.  
Mackenzie, Mr. R. T. H.

Maswood Ahmad, Mr. M.  
Millar, Mr. E. S.  
Misra, Mr. B. N.  
Mittra, Mr. S. C.  
Mody, Mr. H. P.  
Muazzam Sahib Bahadur, Mr.  
Muhammad.  
Mujumdar, Sardar G. N.  
Murtuza Saheb Bahadur, Maulvi  
Sayyid.  
Neogy, Mr. K. C.  
Pandit, Rao Bahadur S. R.  
Parma Nand, Bhai.  
Puri, Mr. B. R.  
Rajan Bakhsh Shah, Khan Bahadur  
Makhdum Syed.  
Ranga Iyer, Mr. C. S.  
Rastogi, Mr. Badri Lal.  
Reddi, Mr. T. N. Ramakrishna.  
Sadiq Hasan, Shaikh.  
Sant Singh, Sardar.  
Sarda, Diwan Bahadur Harbilas.  
Scott, Mr. J. Ramsay.  
Sen, Pandit Satyendra Nath.  
Singh, Kumar Gupteshwar Prasad.  
Singh, Mr. Gaya Prasad.  
Sitaramaraju, Mr. B.  
Smith, Mr. R.  
Sohan Singh, Sirdar.  
Thampan, Mr. K. P.  
Uppi Saheb Bahadur, Mr.  
Ziauddin Ahmad, Dr.

NOES—33.

Abdul Hye, Khan Bahadur Abul  
Hasnat Muhammad.  
Acott, Mr. A. S. V.  
Ahmad Nawaz Khan, Major Nawab.  
Allah Baksh Khan Tiwana, Khan  
Bahadur Malik.  
Amir Hussain, Khan Bahadur Saiyid.  
Bhore, The Honourable Sir Joseph.  
Clow, Mr. A. G.  
Dalal, Dr. R. D.  
Dutt, Mr. G. S.  
Dutt, Mr. P. C.  
Gwynne, Mr. C. W.  
Haig, The Honourable Sir Harry.  
Hezlett, Mr. J.  
Jawahar Singh, Sardar Bahadur  
Sardar.  
Lal Chand, Hony. Captain Rao  
Bahadur Chaudhri.  
Leach, Mr. A. G.

Metcalf, Mr. H. A. F.  
Mitchell, Mr. D. G.  
Mitter, The Honourable Sir  
Brojendra.  
Mukherjee, Rai Bahadur S. C.  
Nihal Singh, Sardar.  
Noyce, The Honourable Sir Frank.  
Rafiuddin Ahmad, Khan Bahadur  
Maulvi.  
Raghubir Singh, Kunwar.  
Raisman, Mr. A.  
Rau, Mr. P. R.  
Ryan, Sir Thomas.  
Schuster, The Honourable Sir George.  
Seaman, Mr. C. K.  
Sher Muhammad Khan Gakhar,  
Captain.  
Singh, Mr. Pradyumna Prashad.  
Tottenham, Mr. G. R. F.  
Vachha, Khan Bahadur J. B.

The motion was adopted.

**Pandit Satyendra Nath Sen** (Presidency Division: Non-Muhammadan Rural): Sir, I move:

"That in Part III of Schedule III to the Bill, paragraph No. 4 be omitted."

Paragraph 3 relates to summary assessment of income-tax on an income of less than Rs. 2,000 and paragraph 4 relates to retrospective demand. Sir, of all the income-tax payers those who are in the lowest zone are hardly hit. Their lot is harder, because they are open to summary assessment and it is harder still, because they can be asked by the Income-tax Officer to disgorge the amount which they have digested already during the preceding year. So, paragraph 4 contains the climax of pathos in the Finance Bill. Sir, what is the income of the people who are in the lowest zone? It ranges from Rs. 84 to Rs. 167. Suppose, a man with an income of Rs. 84 is asked to pay his income-tax for the current year as well as for the previous year, what will be his condition? His embarrassment can be well imagined. Sir, the distress of these poor people would be a little alleviated had there been a system of payment of income-tax by instalments. But generally speaking there is no such system. The evasions will generally occur only in the case of non-salaried people. Sir, ordinary people often imitate the conduct of the great. When most of the Provincial Governments as well as the Government of India are practically running at a loss, these people also generally are running at a loss. Besides, we have been taught to live beyond our means. We often hear of cases of evasions, but among them there may be many cases where there are no evasions at all, because these men might sincerely believe that their income was not at all taxable. When they have digested all their money, the Honourable the Finance Member pounces upon their empty purse, and what will be the effect? They will be compelled to incur a debt which they will not be in a position to repay. Sir, this retrospective demand is regarded as a pimple upon the boil and so I propose that this clause should be omitted.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Amendment moved:

"That in Part III of Schedule III to the Bill, paragraph No. 4 be omitted."

**Sir Cowasji Jehangir**: Sir, I want to raise a more general question and I consider it a question of principle. Here is the Finance Bill and included in the Finance Bill for the last two years we find clauses which properly ought to find their place in the Income-tax Act. We are told that they are included in the Finance Bill, because these provisions in the Finance Bill are temporary, and, therefore, rather than disturb an Act which, it is believed is going to last for centuries, they take advantage of the Finance Bill to include provisions for how to collect the tax, what measures the officer should take in order to collect that tax. All these provisions ought to be included in the Income-tax Act. Sir, I point out to you and to the House the dangers of this procedure. If Government are given power to vary, to amend, to add, to the Income-tax Act by certain clauses or a Schedule in the Finance Bill, it will be a very dangerous precedent for the future, and I strongly protest against it. Personally I am just now not in a position to be able to state what is the really legal position, but I would be inclined to raise a point of order whether such provisions can be included in a Finance Bill: On the merits, they may be quite legitimate and fair; they may be even to the advantage of the assessee. I am not contesting that. What I am contesting is the power of Government to include in the Finance Bill provisions which should be in the Income-tax Act and giving power to Government of putting in



[Sir Cowasji Jehangir.]

clauses of this sort. I will rise to a point of order while I am speaking and ask for your ruling whether it is in order to include such provisions in a Finance Bill. If, Sir, you rule that it is in order, I would appeal to Government not to set this bad precedent for the future because, after all, we are not in a position to examine these provisions as carefully as we would be if they brought them in the form of an amendment to the Income-tax Act. We might send them to Select Committee. But in this way anything might slip in without proper examination. Personally I have not examined these provisions carefully; I take it that they are fair and legitimate. But if Government try to make a real change in the Income-tax Act by this method, it would not only be dangerous for Government, but it would be dangerous for us and we shall be able to have no control over Government when they move amendments of this character. Sir, I rise to this point of order.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Does the Chair understand the Honourable Member to have formally raised a point of order whether this provision, Part III of Schedule III could be included in this Bill?

**Sir Cowasji Jehangir**: Yes, Sir. It was done last year I know, but because we were out of order last year, there is no reason why we should continue to be out of order. I rise to this point of order whether such provisions can be included in the Finance Bill which are really amendments of the Income-tax Act.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If the Honourable Member wants the ruling of the Chair whether particular provisions of the Bill are in order, and if in his own opinion they are not in order, he must first give his reasons to the Chair as to what makes him think that it is not in order. A certain procedure might be very undesirable, but it may be perfectly legal. So the Chair would like the Honourable Member first to say on what grounds he considers, and what authority he has to say, that the inclusion of such provisions is out of order.

**Sir Cowasji Jehangir**: Sir, the Finance Bill is a Bill which is brought before this House for the purpose of taxation for the year. It is a Bill that comes before this House every year. There is a special Act which governs the collection of income-tax, not the rates, but the method of collection; and, therefore, if you include in a Bill which is primarily for taxation clauses on methods of collection which are really applicable to a special Act, I consider it is out of order. If this is in order, I contend that any provisions from any Act which ought legitimately to be included in that Act would also be in order. Is this a general Act in which the amendment of any Act of this Legislature can be included? If it is possible for Government to amend any Indian Act by inclusion of certain clauses in this taxation Bill, then I stand corrected; but if it is not within the power of Government to amend any Act by including clauses in this Bill, I contend that they cannot thus amend the Income-tax Act.

**Diwan Bahadur A. Ramaswami Mudaliar**: Sir, may I supplement what my Honourable friend said? You will find, if you turn to the Preamble and Title of the Bill, that the scope of this Bill is given there. This is:

"A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Stamp Act, 1899, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923."

There is no provision in the Title of the Bill to amend the Indian Income-tax Act. Further, in the Preamble, you will find similarly:

"Further to amend the Indian Stamp Act, to fix the rates of income-tax and super-tax,"

etc., not to vary the procedure of collection or to fix the particular method of collection. That is really within the scope of the Indian Income-tax Act. And even if, according to our rules which may be at variance with the House of Commons rules, money bills can contain such provisions, I submit that on the narrow ground that both the Title and the Preamble do not refer to the amendment of the Income-tax Act, this Part III of Schedule III is irrelevant. If you turn again to clause 6, sub-clause (4), you will find this:

"For the purpose of assessing and collecting income-tax on total incomes of less than two thousand rupees, the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part III of the Third Schedule."

This is very cleverly worded. "Adaptation" merely means amendment. I submit that when you have made no provision for amendment, either in the Title or Preamble, you cannot squeeze in the word "adaptation" and reduce it to something which is not an amendment. This is really an amendment of the Income-tax Act. I take the narrow ground that, both according to the Title of the Bill and the Preamble of the Bill, there is no provision for amending the Indian Income-tax Act. Therefore, Part III of Schedule III is irrelevant for the purposes of this Bill.

**The Honourable Sir George Schuster**: Sir, before you give your ruling on the point raised, I should like to explain the Government point of view on this.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If the Honourable Member does not mind, the Chair would suggest that we might adjourn now and discuss the point tomorrow. This will give time to the parties to think overnight on the point of order raised and we can debate the point tomorrow morning.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 28th March, 1933.

## APPENDIX.\*

**Mr. N. R. Gunjal** (Bombay Central Division : Non-Muhammadan Rural): Sir, I very strongly support the amendment moved by my Honourable friend, Mr. Amar Nath Dutt, proposing reduction of postage of single and reply cards to three pies and six pies, respectively. Eighty per cent. of the population of India consists of poor starving cultivators and labourers. It is not that these people have got no tidings of their weal or woe to communicate, off and on, to their relations and friends living in distant places. Even if they write on cards, they have got to spend nine pies. A majority of them, being illiterate, have often to pay a pice or two extra for getting their cards written by others. Thus, in all they spend something like five pice for sending a post card. This is too expensive for them.

Government always profess that the Postal Department is meant for serving the convenience of the public, and not for earning money. They have also been admitting that a majority of the cultivators are uneducated. If Government have conviction in what they themselves say, they must necessarily accept this amendment.

Although poor, the cultivators have been paying several taxes to Government, and it is on their money that the administration of the Government of India is being carried on. The high officials are receiving their salaries out of this very money. It is these people who have been handicapped in the matter of their correspondence as the result of the enhanced duty on postcards.

I hope, Sir, the Honourable the Finance Member will be good enough to accept this amendment; if not, this House at least must carry it. With these words, I resume my seat.

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\*Vide page 2404 of Legislative Assembly Debates, dated the 22nd March 1933.

## LEGISLATIVE ASSEMBLY.

*Tuesday, 28th March, 1933.*

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

### QUESTIONS AND ANSWERS.

#### DENIAL OF HILL ALLOWANCE TO THE RAILWAY STAFF STATIONED AT DEHRA DUN.

964. **\*Mr. B. N. Misra:** Is it a fact that the staff at Dehra Dun have been denied the privilege of the hill allowance sanctioned on the Hardwar Dehra Dun Railway which is only paid to the staff up to Harrawala? If so, why? Is not Dehra Dun on a higher elevation than Harrawala?

**Mr. P. R. Rau:** I have called for the information from the Agent, East Indian Railway, and I shall lay a statement on the table in due course.

#### CLASSIFICATION OF CERTAIN ASSISTANT STATION MASTERS WITH STATION MASTERS.

965. **\*Mr. B. N. Misra:** Is it a fact that Assistant Station Masters, Classes "C" and "D" are classified along with Station Masters, Class "A" only on the Oudh and Rohilkand section of the East Indian Railway? If so, why? Does such classification exist on the East Indian Railway proper and other Railways? What are the emoluments of the different classes? Will Government state whether an Assistant Station Master, Class "C", drawing Rs. 95 on promotion to Station Master, Class "A", is eligible to draw Rs. 75? If so, why? Is it a promotion or demotion? Will Government state whether such a discrimination exists amongst the Assistant Station Masters, Class "F", on promotion to Station Master, Class "E"? If so, why?

**Mr. P. R. Rau:** Government have no information in this matter. A copy of the question is being sent to the Agent, East Indian Railway, to rectify any anomalies that may exist and which require rectification. All the matters dealt with are within the competence of the Agent to decide and Government do not propose to intervene in this matter.

#### NON-RECOGNITION OF SERVICES RENDERED DURING THE GREAT WAR ON THE EAST INDIAN RAILWAY.

966. **\*Mr. B. N. Misra:** (a) Is it a fact that on the East Indian Railway no recognition of services rendered during the Great War of 1914-19, by way of counting them towards length of service or seniority, is accorded to loyal persons? If so, why?

(b) Do Government propose to recognize the loyal services of persons, abroad during the Great War, who, on demobilization after an interval of an year or less, joined the Railways in India with a view to enabling them to retire earlier?

**Mr. P. R. Rau:** I have called for certain information and will lay a reply on the table in due course.

#### GRIEVANCES OF THE GUARDS OF THE EAST INDIAN RAILWAY.

967. **\*Mr. B. N. Misra:** (a) Is it a fact that Guards on the North-Western Railway are given 24 hours uninterrupted rest after working for six days irrespective of the hours of employment? If so, why are the Guards on the East Indian Railway denied this privilege?

(b) Is the strength of Guards on the East Indian Railway such that they never get leave in time for want of relief? If not, what was their strength in 1930 and 1932, respectively, in each Division—(Reserve should be stated separately)—, and what number availed themselves of the leave on average pay, casual and medical leave, respectively, during 1930 and 1932?

**Mr. P. R. Rau:** Government have no information but are sending a copy of the question to the Agent, East Indian Railway, for consideration of the points raised. I may add, however, that running staff are at present outside the scope of the Indian Railways (Amendment) Act, 1930.

#### CONSTITUTION OF THE OFFICE OF THE ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, DELHI.

968. **\*Khan Bahadur H. M. Wilayatullah:** (a) Will Government be pleased to state the existing constitution of the office of the Accountant General, Posts and Telegraphs, Delhi?

(b) Are Government satisfied that the staff attached to that office, (i) gazetted, and (ii) non-gazetted is fully justified and not in excess of what the quantity of work in that office demands?

(c) Is it a fact that while the proportion of the number of Accountants to that of gazetted officers in the office of the Accountant General, Posts and Telegraphs, comes to 3:1, the corresponding ratio in the Postal Audit Office, Delhi (subordinate to the office of the Accountant General, Posts and Telegraphs), works out to 4½: 1? If so, will Government be pleased to state the reasons for a larger proportion of gazetted officers in the office of the Accountant General, Posts and Telegraphs?

**The Honourable Sir George Schuster:** With your permission, Sir, I will deal with questions Nos. 968 to 973 together.

Enquiry is being made and complete replies will be laid on the table in due course.

#### STRENGTH OF THE NON-GAZETTED STAFF IN THE OFFICE OF THE ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

†969. **\*Khan Bahadur H. M. Wilayatullah:** Will Government be pleased to state the formula, if any, adopted in determining the strength of the non-gazetted staff in the office of the Accountant General, Posts

† For answer to this question, see answer to question No. 968.

and Telegraphs? In case no definite formula has been adopted, will Government be pleased to state the criteria according to which the strength of the Accountants, the Upper Division clerks and Lower Division clerks in that office has been determined?

#### ABOLITION OF THE OFFICE OF THE ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

†970. **\*Khan Bahadur H. M. Wilayatullah:** (a) Is it a fact that the existence of the Accountant General, Posts and Telegraphs' office had been once pronounced as a "huge luxury" by some officer or officers of the Indian Audit and Accounts Service? If so, will Government be pleased to state what action was taken to dispense with such "luxury" *in toto* in view of the present need for economy?

(b) If the reply to part (a) above be in the negative, have Government ever considered the question as to whether the office of the Accountant General, Posts and Telegraphs, as at present constituted, can very well be abolished by distributing the work in that office among the Branch Posts and Telegraphs Audit Offices which may be placed under the direct control of the Auditor General?

#### ACCOUNTANTS IN THE POSTS AND TELEGRAPHS ACCOUNT AND AUDIT OFFICES.

†971. **\*Khan Bahadur H. M. Wilayatullah:** Is it a fact that the existing cadre of Accountants in the Posts and Telegraphs Account and Audit Offices which is an all-India cadre is shortly going to be localised, so that the strength of Accountants in each office will be fixed and inter-office transfers avoided like the Accounts and Audit Offices on the civil side? If so, will Government be pleased to state the details of the scheme under contemplation? Has due provision been made in that scheme for an adequate representation in each office of Accountants belonging to minority communities? If not, what steps do Government propose to take to adjust communal inequalities in each Posts and Telegraphs Account and Audit Office in the localised cadre of Accountants?

#### REPRESENTATION OF MINORITY COMMUNITIES IN THE OFFICES OF THE ACCOUNTANT GENERAL AND DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

†972. **\*Khan Bahadur H. M. Wilayatullah:** (a) Has it been prescribed by the Auditor General in India that in filling vacant posts members of minority communities should be appointed to one-third of the vacancies?

(b) Will Government be pleased to state the total number of vacancies (permanent or temporary or in the cadre of Accountants due to permanent incumbents having proceeded on leave) that occurred in the offices of the Accountant General, Posts and Telegraphs, or the Deputy Accountant General, Posts and Telegraphs, Delhi, in the grade of (i) Accountants and (ii) Upper Division clerks during 1932 and to how many such posts members of minority communities were appointed substantively or in an officiating capacity? In case the total number of members of minority communities appointed to such vacancies in each of the above two classes falls short of the scale prescribed by the Auditor-General, will Government be pleased to state full reasons therefor?

† For answer to this question, see answer to question No. 968.

**APPOINTMENT OF THE ASSISTANT IN CHARGE OF THE ADMINISTRATION BRANCH  
IN THE OFFICE OF THE DEPUTY ACCOUNTANT GENERAL, POSTS AND  
TELEGRAPHS, DELHI.**

†973. \***Khan Bahadur H. M. Wilayatullah:** Will Government be pleased to state what qualifications are required in officials for appointment as Assistant in Charge of the Administration Branch in the office of the Deputy Accountant General, Posts and Telegraphs, Delhi, designated as Superintendent Record?

**RENT FOR EACH UNIT IN ORTHODOX GOVERNMENT CHUMMERIES IN  
NEW DELHI.**

974. \***Mr. S. G. Jog:** (a) Is it a fact that the maximum rent for each unit in Government Chummeries (Orthodox) in New Delhi is Rs. 15-12-0 per month?

(b) Is it a fact that the rent some years ago was Rs. 10 per month inclusive of all other charges, viz., charges for electricity, water and furniture?

(c) If the answer to the above be in the affirmative, will Government please state the reasons for the increase?

(d) What is the basis on which the rent of a quarter in the Chummeries is fixed?

(e) Is it a fact that the rent of "D" type (Orthodox) quarters is Rs. 16 per month? How does the accommodation of this type of quarters compare with that in the Chummeries? Is it a fact that in the Chummeries each unit contains only one living room, kitchen, bath and a small store room, whereas, in the "D" type orthodox quarters there are three living rooms with one big store room, kitchen, bath, lavatory and a courtyard?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) No.

(c) Does not arise.

(d) The total rent of the 4 Blocks of the Chummeries calculated on their capital cost is distributed over the 104 quarters contained in the Chummeries.

(e) The rent of D type (orthodox) quarters is Rs. 16 per month and the accommodation in this type of quarters compares favourably with that in the Chummeries. Rent is, however, based on capital cost and not on accommodation.

**CHARGE FOR CONSUMPTION OF ELECTRICITY AND WATER IN THE ORTHODOX  
CHUMMERIES, NEW DELHI.**

975. \***Mr. S. G. Jog:** (a) Is it a fact that a fixed sum of Rs. 6-4-0 per month is recovered from a tenant of the Chummeries (orthodox), New Delhi, for the consumption of electricity and water, irrespective of the amount actually consumed by him?

(b) Will Government please state the basis for this calculation?

(c) Is it a fact that prior to last year the charge for consumption of electricity and water in the Chummeries was Rs. 5 per month? If so, what is the reason for this increase?

† For answer to this question see answer to question No. 968.

(d) Are Government aware that the present charge for the electricity and water in the Chummeries is very high in comparison with what is usually charged in respect of a married clerks' quarters?

(e) Is it a fact that excess charges are also imposed on the tenants in the Chummeries for the consumption of extra electric current and water?

(f) Will Government please state what is the basis for calculating such excess charges?

**The Honourable Sir Frank Noyce:** (a) There is a fixed charge of Rs. 6-4-0 and it covers not only water, electric current and replacements of electric bulbs but also the services of chowkidars and sweepers.

(b) The estimated expenditure on account of these services for the season forms the basis of recovery.

(c) The charge was formerly Rs. 5. The increase is due to the high consumption of water and current by the tenants.

(d) No.

(e) Yes, if the consumption of water and current is in excess of the provision made in the estimates.

(f) Extra charges, if any, are based on the difference between the provision made in the estimates and the actual consumption according to meter readings.

**SEPARATE METERS FOR ELECTRICITY AND WATER FOR EACH UNIT IN THE  
ORTHODOX CHUMMERIES, NEW DELHI.**

976. \***Mr. S. G. Jog:** (a) Is it a fact that there are no separate meters for electricity and water for each unit in the Chummeries, New Delhi?

(b) Do Government propose to instal the same? If not, why not?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) No. Separate meters would cost too much in relation to the comparatively small amounts of electricity and water consumed in each unit.

**NUMBER OF MUSLIMS APPOINTED AS STOREKEEPERS, ASSISTANT STORE-  
KEEPERS AND STOREMEN IN THE MILITARY ORDNANCE STORE DEPARTMENT.**

977. \***Mr. M. Maswood Ahmad** (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Will Government state the number of the posts of Storekeepers, Assistant Storekeepers and Storemen in the Military Ordnance Store Department that have been filled up by Indians during the last two years and the number of Muslims appointed to each?

(b) Will Government state whether it is a fact that the number of Muslims is quite disproportionate to their authorized representation? If so, what steps have the Government of India taken or propose to take to remedy the injustice?

**Mr. H. A. F. Metcalfe:** Sir, with your permission, I will answer on behalf of the Army Secretary, who is indisposed.

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(a) There has been no Indian recruitment for the posts of Storekeepers during the past two years. Nine Assistant Storekeepers have been appointed of whom three are Muslims; and 161 Storemen have been appointed of whom 32 are Muslims.

(b) I cannot say without further enquiry what the total representation of Muslims is in these cadres, but the Honourable Member will see that a fair proportion of the appointments made during the last two years have been given to Muslims.

# REDISTRIBUTION OF INTEREST CHARGES ON PRE-REFORM IRRIGATION DEBTS.

978. \*Mr. B. Das: (a) Will Government be pleased to state what action has been taken on the memorandum submitted to the Federal Finance Committee by Mr. Harris, former Consulting Engineer to the Government of India, on the subject of redistribution of interest charges on pre-reform Irrigation Debts?

(b) Is it not a fact that the recommendations would bring large relief to the provinces of (i) Orissa, (ii) Sind and (iii) the North-West Frontier Province?

(c) Will Government be pleased to state the amount of relief in interest charges that (i) Orissa, (ii) Sind and (iii) the North-West Frontier Province would receive if the recommendations of Mr. Harris are accepted?

(d) Will Government be pleased to lay on the table a copy of the memorandum submitted by Mr. Harris?

(e) Do Government propose to place the memorandum and the recommendations on the same before the Joint Parliamentary Committee?

The Honourable Sir George Schuster: (a) and (e). The question is under consideration in consultation with the Secretary of State for India.

(b) The plan proposed by Mr. Harris would have involved a redistribution of charges among various Provinces, and any relief given to one set of Provinces would have been at the expense of others. The question cannot be considered in detachment from the general financial settlement under the new constitution.

(c) and (d). It is not proposed at this stage to publish the document or any of its figures or recommendations.

# RENEWAL OF THE AGREEMENT WITH MESSRS. RENDAL, PALMER AND TRITTON AS CONSULTING ENGINEERS TO THE GOVERNMENT OF INDIA.

979. \*Mr. B. Das: (a) Will Government be pleased to state if they have renewed the agreement with Messrs. Rendal, Palmer and Tritton as Consulting Engineers to the Government of India? If so, for what period has the contract been renewed?

(b) Did Government take steps to invite offers from any other firm of consulting engineers?

(c) Will Government be pleased to state the amount received by this firm of consulting engineers in fees during each of the three years preceding the new agreement?

(d) What is the amount demanded by this firm for the renewal of the agreement per annum and what are the terms of the new agreement?

(e) Will Government be pleased to lay on the table a copy of the new agreement between Government and the firm?

The Honourable Sir Frank Noyce: (a) The existing arrangement with the Consulting Engineers is for an indefinite period subject to the right of either party to determine or modify it by giving twelve months' notice of such intention. No notice of determination has been given by either party and the existing arrangement, therefore, continues.

(b) Does not arise.

(c), (d) and (e). I lay on the table a statement of the payments made to the firm during the three years ending 1931-32. The amount payable to the Consulting Engineers for their services is reviewed by the Government periodically and the question of the amount of the fees to be paid to the partners of the firm during the current year is at present under consideration.

## Statement.

| Year.             | Retaining fees of partners. | Expenses of office staff. | Cost of tracings, prints, cables, postage, etc. | Cost of inspection work, i.e., Inspectors' salaries, allowances, etc. | Total. |
|-------------------|-----------------------------|---------------------------|-------------------------------------------------|-----------------------------------------------------------------------|--------|
|                   | £                           | £                         | £                                               | £                                                                     | £      |
| 1929-30 . . . . . | 7,800                       | 18,387                    | 1,595                                           | 27,974                                                                | 55,756 |
| 1930-31 . . . . . | 7,800                       | 21,624                    | 2,063                                           | 24,461                                                                | 55,948 |
| 1931-32 . . . . . | 7,870                       | 14,837                    | 1,259                                           | 15,986                                                                | 39,752 |

## NATURE OF WORK MESSRS. RENDAL, PALMER AND TRITTON DO FOR THE GOVERNMENT OF INDIA.

980. \*Mr. B. Das: (a) Will Government be pleased to state the nature of work that their consulting engineers (Messrs. Rendal, Palmer and Tritton) do for the Government of India?

(b) Was this firm doing the consulting work on:

- Bombay Development Scheme,
- Sukkur Barrage Scheme,
- Vizagapatam Harbour Scheme,
- Mandi Hydro-Electric Scheme,
- Sutlej Valley Scheme,
- U. P. Hydro-Electric Scheme, and
- The Pykara Hydro-Electric Scheme?

If so, will Government be pleased to lay on the table a statement showing their original estimates and the actual cost of the finished project in each case?



(c) Will Government be pleased to lay on the table a statement of cases referred to these consulting engineers during the last three years, the work required of them, the estimates in each case and the actual cost of the schemes they advised?

**The Honourable Sir Frank Noyce:** (a) The attention of the Honourable Member is invited to pages 69-70 and Appendices I and II of the proceedings of the Standing Finance Committee dated the 17th August, 1925.

(b) With the exception of the Vizagapatam Harbour Scheme, all projects mentioned by the Honourable Member relate to works under the direct control of Provincial Governments, and the Government of India are not in possession of the particulars required by the Honourable Member in connection with those projects.

With regard to the Vizagapatam Harbour Scheme, the advice of the Consulting Engineers was sought in connection with certain technical and engineering problems, but they were not called upon to prepare estimates of the cost of the scheme.

(c) The information is not available, and the collection will entail expenditure of time and labour not commensurate with its value.

#### CONSULTING FEES PAID TO MESSRS. MERZ AND PARTNERS, LIMITED, ON RAILWAY ELECTRIFICATION SCHEMES.

981. **\*Mr. B. Das:** (a) Will Government be pleased to state the amount of consulting fees paid to Messrs. Merz and Partners, Ltd., on the various railway electrification schemes so far?

(b) Will Government be pleased to lay on the table a statement shewing the original estimates of the consulting engineers in each of their railway electrification schemes and the actual cost of the scheme and the amount of consulting fees paid for each scheme?

**Mr. P. R. Rau:** The information is being obtained and will be laid on the table in due course.

#### NATURE OF WORK ADVISED UPON BY MESSRS. MERZ AND PARTNERS AS CONSULTING ENGINEERS TO THE RAILWAYS OF INDIA.

982. **\*Mr. B. Das:** (a) Will Government be pleased to state if Messrs. Merz and Partners still act as consulting engineers to the Railways of India and what is the nature of work the firm advises upon?

(b) What amounts were paid to the firm for the years 1929-30, 1930-31 and 1931-32?

(c) Will Government be pleased to state the amount of consulting fees included in the current year's Railway Budget?

(d) Will Government be pleased to state if the Railway Board consult the said firm in every electrification scheme, large or small?

(e) What are the schemes that the firm is handling for the Railway Board this year?

**Mr. P. R. Rau:** (a) and (d). I lay a statement on the table giving the information required.

(b) and (c). I am collecting the information and will lay it on the table in due course.

(e) There are no new schemes under consideration at present. As my Honourable friend is aware, Messrs. Merz and Partners were connected with the electrification schemes of the Great Indian Peninsula and Bombay, Baroda and Central India Railways which, I believe, have been completed. Government have no information whether any questions in connection with the schemes are being handled by the firm this year, but I am making enquiries and shall lay a statement on the table in due course

#### Statement.

The Government of India have appointed Messrs. Merz and Partners to be Consulting Electrical Engineers to Government, and the arrangement is that the firm will advise Government as required from time to time by investigating and reporting on specific schemes of electrification and on all matters of power supply for railway electrification purposes, including an estimate of the total cost of each scheme; and further will give such additional advice as may be required on general questions and on questions arising out of reports on specific schemes.

2. The Engineers will also perform the services set out below and be employed on all construction work in connection with all new schemes of railway electrification and extension of schemes already in hand on any of the State-managed railways in India or Burma:

- (a) Prepare final estimates of cost, plans, designs, specifications and drawings, conditions of contract and forms of tender necessary for carrying out any such electrification scheme, and for the purpose of inviting tenders.
- (b) Report and advise on tenders for the various parts of the electrification scheme when received, the acceptance of all tenders being vested in the High Commissioner for India or such officer as the Government of India may appoint.
- (c) Prepare contracts; complete the general design and detailed drawings necessary for the carrying out of the work; supervise the carrying out of all contracts and the construction, whether in the United Kingdom, India or elsewhere, of all plant machinery and apparatus, and inspect the same before despatch; direct and supervise the completion of the scheme and the erection of all machinery and equipment on site and the starting of the same in actual operation.

#### CONSULTATION BY GOVERNMENT DEPARTMENTS INCLUDING THE RAILWAY BOARD WITH THE TECHNICAL STAFF OF THE INDIAN STORES DEPARTMENT IN CONNECTION WITH ENGINEERING PROJECTS.

983. **\*Mr. B. Das:** Will Government be pleased to state if Government Departments including that of the Railway Board consult the technical staff of the Indian Stores Department for any of their engineering projects?

**The Honourable Sir Frank Noyce:** The Railway Board do not consult the Indian Stores Department in regard to the design, arrangements, and estimates of their engineering projects, but, when necessary, the advice of that Department is sought in regard to the capacity of manufacturing concerns in India and other matters connected with the supply of engineering materials and equipment for the projects in hand.

The advice of the technical staff of the Indian Stores Department on engineering projects has been sought from time to time by some of the other departments of Government.

## ACCEPTANCE OF THE RUPEE TENDER POLICY BY THE GOVERNMENT OF INDIA.

984. \*Mr. B. Das: (a) Will Government be pleased to state if the acceptance of the rupee tender policy did not require that the Government of India should avail of consulting advice in India and not in Britain?

(b) What steps have Government taken so far to utilise services of Indian consulting engineers?

**The Honourable Sir Frank Noyce:** (a) and (b). I would invite the attention of the Honourable Member to the Government of India's Resolution No. S. 465, dated the 5th December, 1929, which was published in Part I of the *Gazette of India*, dated the 7th December, 1929, and also to the proceedings of the meeting of the Standing Finance Committee, dated the 26th January, 1928, Volume VII, No. 9, pages 468-471.

## GRANT OF EXTENSIONS TO OFFICERS IN THE POSTS AND TELEGRAPHS DEPARTMENT AFTER THE COMPLETION OF 55 YEARS OF AGE.

985. \*Mr. S. C. Mitra (on behalf of Mr. Muhammad Azhar Ali): (a) Will Government please state whether any officer, or officers, in any of the various branches, or grade of the service of the Posts and Telegraphs Department are still retained in the service by way of extensions, granted along with superannuation, or after the completion of 55 years of age? If so, how many and in what circles?

(b) Are not such extensions contrary to the usual practice in all the departments of Government and, if so, what were the special reasons for them in their particular cases?

(c) Are Government aware that, in view of the ruthless retrenchment conducted hitherto and still under contemplation, there is a strong feeling in all quarters against such extensions?

(d) Have Government considered the question whether it is desirable in these circumstances to avoid such concessions as an inevitable rule?

**Sir Thomas Ryan:** (a) As regards the first part, the Honourable Member is referred to the reply given to Mr. P. G. Reddi's starred question No. 767 in this House on the 26th September, 1932. As regards the second part, information is not readily available.

(b) As regards the first part, the ordinary rules governing the grant of extension of service to officials who have reached the age of 55 years are of general application. The second part does not arise.

(c) Government are not aware that the fact is as stated.

(d) The Honourable Member's attention is invited to the reply just given to the first part of part (a) of this question.

## TRANSFER OF THE CONTINUOUS DISCHARGE CERTIFICATE DEPARTMENT OF THE SHIPPING OFFICE FROM KIDDERPORE TO CALCUTTA.

986. \*Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhuria): (a) In regard to the answer to starred question No. 649 regarding the transfer of the Continuous Discharge Certificate Department of the Shipping Office from Kidderpore to Calcutta, asked by Mr. D. K. Lahiri Chaudhury on the 23rd February, 1931, will Government be pleased to state if it is a fact that the Port Officer of Calcutta no longer resides at the top floor of the Port and Shipping Office Building in Calcutta?

(b) If the answer be in the affirmative, will Government be pleased to state if additional accommodation on the ground floor of that building, previously occupied by the Port Office and almost as much as the Shipping Office there occupied, has now been placed at the disposal of the Shipping Office and is this additional accommodation not sufficient to house the Continuous Discharge Certificate Department? If not, why not?

(c) Will Government be pleased to state:

(i) the approximate floor space occupied by the Shipping Office in the Port and Shipping Office Building in Calcutta during the time of the Port Officer's residence there,

(ii) the additional floor space made over to the Shipping Office after the Port Officer's residence had been removed, and

(iii) the approximate floor space occupied by the Continuous Discharge Certificate Department from 1904 to 1916 when the Shipping Department of the Branch Shipping Office was transferred from Kidderpore to Calcutta?

(d) Are Government prepared to consider the transfer of the Continuous Discharge Certificate Department to Calcutta?

**The Honourable Sir Joseph Bhore:** Enquiries are being made and a reply will be laid on the table when the necessary information has been received.

## ABOLITION OF THE APPOINTMENTS OF THE DEPUTY AND ASSISTANT SHIPPING MASTERS IN CALCUTTA.

987. \*Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhuria): (a) With reference to the answer to certain supplementary questions to starred question No. 648 on the 25th February, 1931, asked by Mr. K. Ahmed in the Legislative Assembly, is it a fact that the recommendations of the Clow Committee had not been put into effect? If so, are Government prepared to abolish the appointments of the Deputy and Assistant Shipping Masters in Calcutta?

(b) If the reply to the above be in the negative, will Government be pleased to state:

(i) what the duties of the Superintendent, Continuous Discharge Certificate Department, were and what the duties of the present Assistant Shipping Master are; and

(ii) the average number of new, duplicate and higher issue continuous discharge certificates which were issued daily during the time of the Superintendent and those that are being issued since the post of the Assistant Shipping Master has been created?

**The Honourable Sir Joseph Bhore:** (a) The system of recruitment of seamen at Calcutta has been revised to a large extent in pursuance of the recommendations of the Seamen's Recruitment Committee. It is not possible to abolish the posts referred to by the Honourable Member.

(b) The necessary information is being collected and will be laid on the table in due course.

## SALARY OF THE SHIPPING MASTER, CALCUTTA.

988. \*Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhuria): (a) Will Government be pleased to state if the salary of the Shipping Master, Calcutta, was raised with regard to the duties he would perform as the Bureau Officer in charge of the recruitment of the Indian lascars?

(b) If the reply be in the affirmative, is it a fact that the Clow Committee's recommendation for the recruitment of Indian lascars is not being carried out? If so, do Government intend to reconsider the question of the officers' salary?

The Honourable Sir Joseph Bhow: (a) No.

(b) As regards the first part of the question I would invite the attention of the Honourable Member to the reply given to part (a) of question No. 987. The reply to the second part is in the negative.

## CONSTRUCTION OF THE DACCA-ARICHA RAILWAY.

989. \*Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhuria): (a) Will Government be pleased to state:

(i) what steps have up till now been taken to carry out the Dacca-Aricha Railway scheme;

(ii) what stage has been reached in the construction of the said Railway; and

(iii) what sum has been spent on the construction of the said Railway and in what manner?

(b) Is it a fact that the construction of the said Railway is being delayed? If so, why?

(c) Are Government aware of the magnitude of inconvenience of the travelling public of Eastern Bengal and Assam?

(d) If so, are Government prepared to see that no more delay is incurred in the carrying out of the said scheme?

Mr. P. R. Rau: (a) The final location survey of the Dacca-Aricha Railway has been completed. The estimated cost was about Rs. 3,14,000.

(b) and (d). After the final location survey was taken in hand, the Government of Bengal appointed a Committee to report, among other things, on the waterways and the headways under the bridges which should be provided on the new line. It is understood that the Committee have submitted their Report to the Government of Bengal and have recommended a considerable increase in the original waterways and headways provided for in the abstract project estimate, but a decision on the Committee's recommendations has not yet been arrived at by the Bengal Government. As any increase in the waterways and headways must also increase the cost of the line, which might result in its no longer being a paying proposition, further consideration of the scheme must necessarily be deferred until these important questions have been settled and an up-to-date detailed estimate has been prepared.

(c) Government are aware that local opinion is strongly in favour of the construction of this railway, on the grounds that it will improve transport facilities in the country traversed and remove certain existing inconveniences.

## CONSTRUCTION OF THE DACCA-ARICHA RAILWAY.

990. \*Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhuria): (a) Is it a fact that Government are also putting off the construction of the Dacca-Aricha Railway on the plea of financial stringency?

(b) If so, how do they justify this when large sums of money are being spent on less important subjects and the salary of Government officers are being restored?

Mr. P. R. Rau: (a) and (b). Financial stringency is of course one of the reasons for the scheme being delayed, but as I have explained in my reply to the previous question, there are other very important reasons which make it necessary to go slow in the matter.

## CONSTRUCTION OF THE DACCA-ARICHA RAILWAY.

991. \*Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhuria): (a) Are Government aware that by the construction of the Dacca-Aricha Railway, the Assam and East Bengal Mails (Dacca Mail and Chittagong Mail), will take half the time that they now take to reach their destination?

(b) If so, do Government propose to carry out the said scheme promptly?

Mr. P. R. Rau: (a) The construction of the Dacca-Aricha Railway would not in any way affect the Chittagong Mail, but it is estimated that a saving of somewhat less than 4 hours will be effected in the time taken by the Dacca Mail between Calcutta and Dacca, which at present is about 15½ hours.

(b) Government do not consider that the estimated saving in time would by itself justify the scheme.

## INDIANS IN THE ROYAL INDIAN MARINE.

992. \*Mr. S. G. Jog: (a) Will Government state whether there are any Indians in the Royal Indian Marine (Navy)?

(b) If so, what is their total strength?

(c) If there are no Indians at present, what steps do Government propose to take to give facilities for Indians to join this service?

(d) If there are any Indians at present, will Government state what steps they propose to take to increase the existing strength with a view to encouraging the Indian youths' aspirations?

Mr. H. A. F. Metcalfe (on behalf of Mr. G. R. F. Tottenham): All non-commissioned ranks of the Royal Indian Marine are filled by Indians except a few Gunners, Boatswains and Warrant Telegraphists. As regards commissioned ranks, the answers are as follows:

(a) Yes.

(b) Two are actually serving at present. In addition, seven cadets are now under training in the United Kingdom and four more who were selected after the competitive examination held in October, 1932, are expected to leave shortly for training in that country.

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(c) Does not arise.

(d) The policy of Government, which is being strictly followed, is to reserve one-third of the vacancies for Indians. They see no justification for increasing that proportion at present.

**Mr. C. C. Biswas:** Is it a fact that there is only one Indian officer at present and that the Indianisation is only in the lower ranks?

**Mr. H. A. F. Metcalfe:** As regards the number of European and Indian commissioned officers in the engineering branch, if that is what the Honourable Member is referring to, there are two Indians recruited since reorganisation: four under training in the United Kingdom and three recently selected as a result of the last open examination.

**Mr. C. C. Biswas:** Who are the instructors there? Are there any Indians among them, or are they not all ex-Navy men?

**Mr. H. A. F. Metcalfe:** I am afraid that my connection with the Marine Department is so recent and ephemeral that I must ask for notice of these questions.

**Mr. S. G. Jog:** May I know whether the recruitment is done every year or alternate years or what is the procedure?

**Mr. H. A. F. Metcalfe:** So far as I can gather from the notes I have before me, examinations are held every year; but again I must say that I must have notice of these questions in order that the answers may be ascertained.

#### ALLEGATIONS AGAINST A RAILWAY OFFICIAL OF THE DINAPORE DIVISION.

993. **\*Mr. Nabakumar Sing Dudhuria:** (a) Is it a fact that a senior railway official belonging to the Dinapore Division was seen in a drunken state walking up and down the platform at Gaya station from 8 P.M. to 2 A.M. on the 19th November, 1932?

(b) Are Government aware that he created a scene due to heavy drinking at Kellner's Refreshment Room at Gaya station and gave out publicly near the vendor's stall that within a week he would cancel the contract of all Bengali vendors in his Division?

(c) Is it a fact that that was his first inspection visit to Gaya?

(d) Are Government aware that he was also seen at Gaya Chowk where he created a scene too, declaring that he was a senior railway official?

(e) If the reply to the above be in the affirmative, are Government aware that the conduct of the said officer has been against the Government servants conduct rules?

(f) Will Government state what action has been taken or is contemplated to be taken against the said officer?

(g) If the information is not at hand, are Government prepared to direct an enquiry forthwith at Gaya by an enquiry committee composed of senior railway officers and the Gaya public?

**Mr. P. R. Rau:** I am making inquiries and will lay a reply on the table in due course.

#### FACTORS DETERMINING THE "LONG PERIOD OF INACTION" AS USED IN SECTION 71-A OF THE INDIAN RAILWAYS (AMENDMENT) ACT, 1930.

994. **\*Mr. N. M. Joshi:** Will Government be pleased to state the factors taken into consideration to determine "Long period of inaction", as used in section 71-A of the Indian Railways (Amendment) Act, 1930?

**Mr. P. R. Rau:** The factors taken into consideration to determine long period of inaction are those defined in section 71-A(a) of the Indian Railways (Amendment) Act, 1930, viz., periods during which the railway servant is on duty but is not called upon to display either physical activity or sustained attention. I would refer the Honourable Member to Rule 1 of the Subsidiary Instructions to Section 71-A to 71-H of the Indian Railways (Amendment) Act, 1930, and the Hours of Employment Rules, 1931, published in the Gazette of India of the 31st January, 1931, which defines the term "sustained attention".

#### PROVISION OF QUARTERS TO THE TRAVELLING TICKET EXAMINERS OF THE MORADABAD DIVISION, EAST INDIAN RAILWAY.

995. **\*Mr. N. M. Joshi:** Is it a fact that the running staff, as defined in rule 3 (2) of Railway Servants' Hours of Employment Rule, 1931, are not provided with either quarters or house-rent in lieu? If not, what and when quarters are provided to the Travelling Ticket Examining Staff of Moradabad Division, East Indian Railway?

**Mr. P. R. Rau:** Running staff and Ticket Examining Staff are not ordinarily entitled to rent free quarters or house rent in lieu thereof. Under the new policy regarding railway quarters, adopted in 1926, it was decided that rent should be charged for all quarters except in the case of menial staff, though staff who were granted rent free quarters at the time were allowed to retain the concession. Government are not aware of what the position is at present on the Moradabad Division, but I am making enquiries and will place a statement on the table in due course.

#### APPOINTMENT OF TEMPORARY GUARDS IN THE MORADABAD DIVISION, EAST INDIAN RAILWAY.

996. **\*Mr. N. M. Joshi:** (a) Is it a fact that recruitment on the East Indian Railway is now stopped and retrenchment is made? If so, is it a fact that Messrs. Ram Narayan Sangda and Mumtaz Din Ahmed are taken as temporary guards in the Moradabad Division, East Indian Railway?

(b) Are there no qualified persons available amongst the existing commercial staff of that division; and

(c) Why are the Assistant Station Masters not given a chance?

**Mr. P. R. Rau:** Government have no information. I am sending a copy of the question to the Agent, East Indian Railway, for consideration.

PROMOTIONS OF THE OLD OUDH AND ROHILKHAND RAILWAY STAFF TO VACANCIES OF THE OLD EAST INDIAN RAILWAY STAFF.

997. \*Mr. N. M. Joshi: (a) Will Government be pleased to state whether it is a fact that in the vacancies caused by normal wastage amongst the old Oudh and Rohilkhand Railway Staff, the junior old East Indian Railway staff are promoted?

(b) If so, will Government be pleased to lay on the table a statement of such natural wastage since the amalgamation showing the promotions of the old Oudh and Rohilkhand Railway staff to vacancies of the old East Indian Railway staff?

(c) Is it a fact that two years' seniority has been given to the East Indian Railway officers, on amalgamation, over the Oudh and Rohilkhand Railway officers? If so, why?

Mr. P. R. Rau: I have called for information and will lay a reply on the table in due course.

CLASSIFIED SENIORITY LISTS OF STATE RAILWAY EMPLOYEES.

998. \*Mr. N. M. Joshi: Are there classified seniority lists of all servants (superior or inferior) in all State Railways? If so:

(a) on what conditions does seniority in these lists depend, i.e., grade, salary or length of service,

(b) what factors are taken into consideration to determine promotions,

(c) are promotions confined to selection in a particular branch of a division, or are all classes of suitable candidates on the entire Railway system considered,

(d) what exactly is implied by the word "selection" and what factors determine such selections, and are such factors uniformly considered by all selecting officers?

Mr. P. R. Rau: I understand that seniority lists are maintained on all State Railways.

(a) Seniority generally depends on length of service or salary in each grade and class of service.

(b) The possession of the qualifications necessary for filling the post, coupled with merit and seniority.

(c) I understand that in the case of the senior subordinate posts selections for promotion are made from all candidates on the entire Railway System while in the case of other posts they are made from candidates in a division or district.

(d) The word selection in this connection is used in the ordinary dictionary meaning of the word.

The factors determining such selections are those enumerated in my reply to part (b) of the Honourable Member's question. It is believed that such factors are considered by selecting officers with reasonable uniformity and Government have no reason to think that they are likely to be abused or ill used.

PROMOTION OF INDIAN ASSISTANT STATION MASTERS AS GUARDS IN THE MORADABAD AND LUCKNOW DIVISIONS, EAST INDIAN RAILWAY.

999. \*Mr. N. M. Joshi: Will Government be pleased to state, how many Indian Assistant Station Masters have been promoted as guards in the Moradabad and Lucknow Divisions after the amalgamation of the Oudh and Rohilkhand Railway with the East Indian Railway? If none, what are the reasons therefor?

Mr. P. R. Rau: I have called for information and will lay a reply on the table in due course.

UNIONS OF RAILWAY EMPLOYEES ON THE EAST INDIAN RAILWAY.

1000. \*Mr. N. M. Joshi: Will Government be pleased to state:

(a) whether there are unions of railway employees on the East Indian Railway and the Oudh and Rohilkhand Railway registered under the Indian Trade Unions Act?

(b) If so, whether the Agent of the said Railways has recognised them?

(c) If not, what are the reasons for their non-recognition?

Mr. P. R. Rau: I have called for certain information and will lay a reply on the table in due course.

APPOINTMENT OF QUALIFIED INDIANS AS OFFICERS IN THE ROYAL ARMY VETERINARY CORPS.

1001. \*Diwan Bahadur Harbilas Sarda: (a) Is it a fact that an Englishman, duly qualified as M.R.C.V.S. from the Royal Veterinary College, London, is eligible to be appointed as an officer in the Royal Army Veterinary Corps in the Indian Army?

(b) Are Government prepared to take an early opportunity to appoint duly qualified Indian M.R.C.V.Ss. from the Royal Veterinary College, London, as officers in the Royal Army Veterinary Corps on the same terms as Englishmen?

Mr. H. A. F. Metcalfe (on behalf of Mr. G. R. F. Tottenham): (a) Yes, but the Royal Army Veterinary Corps is a branch of the British Service and not part of the Indian Army.

(b) The Honourable Member is referred to the answer given on the 25th February, in this House to Bhai Parma Nand's starred question No. 487. Indians are eligible for appointment to the Indian Army Veterinary Corps but not to the Royal Army Veterinary Corps. The methods by which Indians will be recruited as Officers in the Indian Army Veterinary Corps are under consideration.

OCCUPATION OF A BUNGALOW ON RAISINA ROAD, NEW DELHI, BY THE SUB-DIVISIONAL OFFICER, TELEGRAPHS, CENTRAL SUB-DIVISION, DELHI.

1002. \*Mr. S. C. Mitra (on behalf of Mr. D. K. Lahiri Chaudhury): (1) Will Government be pleased to state whether it is a fact that the Sub-Divisional Officer, Telegraphs, Central Sub-Division, Delhi, of the Posts and Telegraphs Department, occupies No. 8, Raisina Road, New Delhi? Can this bungalow be allotted to an official of his grade or official standing?

(2) Is it true that his house-rent allowance is further implemented by the exchequer to enable him to occupy the said house? If so, for how long?

(3) What is the rent of the bungalow as compared with the rent realized from the occupant? Why was he not accommodated elsewhere? Why was not the extra rental incurred charged from him? How much, hitherto has the public exchequer lost in view of this unusual procedure?

(4) How long has he been stationed here continuously as well as cumulatively?

(5) Do Government propose to recover the excess rental charges, incurred, hitherto, from the occupant, as also to consider the officer's further retention in the station any longer? If not, why not?

**Sir Thomas Ryan:** (1) Yes. The Sub-Divisional Officer in question occupies a house which has been specially earmarked for the incumbent of the post held by him. It is right that he should occupy it irrespective of his precise grade or official standing.

(2) He draws no house rent but is given rent free accommodation under the departmental rules applicable to him.

(3) The assessed rental of the house is Rs. 129-5-0 per mensem. The officer occupies the house allotted to his post and so there is nothing unusual in requiring him to do so.

(4) The officer has been retained in Delhi almost continuously since 1923, his retention here has been entirely in the interests of the service.

(5) In view of the replies just given no question of recovery of rent or transfer of the officer, arises.

#### PROMOTIONS FROM LOWER TO HIGHER DIVISIONS IN THE RAILWAY BOARD'S OFFICE.

1003. **\*Mr. T. N. Ramakrishna Reddi:** (a) Are Government aware that there is a widespread discontent amongst the staff of the Railway Board on account of the injustice done to them in the matter of promotions from lower to higher divisions?

(b) Is it a fact that there is a good number of men who qualified themselves for II Division in 1920-21? How many of such qualified men have been promoted by the Railway Board permanently to the II and I Divisions, and how many are still awaiting promotions, and why?

(c) How many junior and unqualified men were in the II Division since 1920, and how many such men are allowed to officiate indefinitely in the II Division in supersession of the claims of qualified men, and why?

(d) Does the Financial Commissioner, Railways, propose to investigate the causes of such supersession and rectify the evil? If not, why not?

**Mr. P. R. Rau:** (a) No.

(b) and (c). There appears to be some misapprehension on the point. I understand that in 1920-21 there were only two Divisions, and the Second Division was the Routine Division. Subsequently an intermediate division was introduced, and the old II Division became the III or Routine Division. Men qualified for the old Second or Routine Division could not, therefore, be treated as possessing qualifications for the existing II Division. Moreover, the Honourable Member, in making reference to

qualifications, is presumably referring to the Public Service Commission test, but as recruitment by the Railway Board through the Commission was not made prior to 1929, men appointed before that date were not required to possess such qualifications. If the Honourable Member is referring to employees in the Railway Board's office who appeared for examinations conducted by the Public Service Commission and passed them, I may inform him that there are seven such men, of whom five are now confirmed, but the fact of their passing this examination did not give them any special claims for confirmation in the Railway Board's office, as employees were not required to pass it.

(b) In view of the replies to the previous parts of this question, this does not arise.

**Mr. T. N. Ramakrishna Reddi:** With reference to the answer to part (a), does the Honourable Member mean that no representations have been received in his office from the subordinate staff expressing their discontent?

**Mr. P. R. Rau:** I have had no evidence of the widespread discontent to which my Honourable friend refers.

**Mr. T. N. Ramakrishna Reddi:** Has he at least received any representation regarding the promotion of two junior officers over the heads of senior men who have been working in the department for a long time?

**Mr. P. R. Rau:** I have not myself seen any such representation, Sir.

**Mr. T. N. Ramakrishna Reddi:** Will any representations see the light of day at all?

**Mr. P. R. Rau:** That question is being dealt with in a reply to a later question, I believe.

#### PROMOTIONS FROM LOWER TO HIGHER DIVISIONS IN THE RAILWAY BOARD'S OFFICE.

1004. **\*Mr. T. N. Ramakrishna Reddi:** (a) What is the practice followed by the Railway Board in making promotions from lower to higher divisions? Is it a fact that officiating promotions are made within the branch irrespective of seniority of the whole staff taken together?

(b) Is the Honourable Member aware of any such procedure being followed by other Departments of the Government of India? If not, why has the Railway Board alone adopted this peculiar practice?

(c) Is it a fact that this procedure has seriously affected the senior hands in the office and has benefited unqualified and most junior men?

(d) Does the Honourable Member propose to do away with such procedure of giving officiating chances to junior men and to make promotions according to seniority?

**Mr. P. R. Rau:** (a) All permanent promotions are made from a general list of the office staff as a whole and not within the Branches. The promotions are based on seniority combined with efficiency. Promotions to short term officiating vacancies are made within the Branches.

(b) I do not think any uniform procedure has been laid down to be followed by all Departments of the Government of India, but from my experience of the Secretariat I can say that the practice of filling short



term vacancies by promotion within the branch concerned is convenient and conducive to efficiency.

(c) I am not aware of this being so.

(d) No.

**Mr. T. N. Ramakrishna Reddi:** With reference to the reply to part (a) of the question that promotions are made within the branch irrespective of the seniority of the whole staff taken together, is it a fact that two gentlemen have been very recently confirmed over the heads of senior members in the Department?

**Mr. P. R. Rau:** If my Honourable friend will tell me what cases he is referring to and gives me notice, I may be able to give him an answer.

**Mr. T. N. Ramakrishna Reddi:** I am referring to Mr. A. S. Muhammad and Mr. Hussain Ali who were junior in service and have been confirmed over the heads of senior members. Has not the Honourable Member received any representation in his office expressing discontent about this matter?

**Mr. P. R. Rau:** I have received no such representation, but I shall require notice of that question.

**Mr. T. N. Ramakrishna Reddi:** I mean the Railway Board, and not the Honourable Member?

**Mr. P. R. Rau:** I will make inquiries.

#### PROMOTIONS FROM LOWER TO HIGHER DIVISIONS IN THE RAILWAY BOARD'S OFFICE.

1005. **\*Mr. T. N. Ramakrishna Reddi:** (a) Will Government please lay on the table a statement showing:

- (i) Number of unqualified men now officiating in the II Division in the Railway Board, and reasons therefor?
- (ii) Number of unqualified men confirmed in the II Division since 1921, and reasons therefor?
- (iii) Number of men who qualified for the II Division in 1921 and thereafter and have not been provided for in that division up-to-date?

(b) Are Government prepared to explain why men with five to seven years service have been allowed to supersede qualified men with service of ten years and above?

(c) Is the Honourable Member aware that appeals and representations against supersession involved by the promotion of junior men in the Railway Board are not attended to and even permission to interview the higher authorities in this connection is denied by the officers directly responsible for such actions? If so, what action do Government propose to take to stop this unjust rule in the Railway Board?

**Mr. P. R. Rau:** (a) (i). I lay on the table a list of staff officiating in the II Division in the Railway Board's office, which shows what examinations held by the Public Service Commission, if any, each employee has

passed. All these men were recruited before 1929, when it was decided to recruit through the Public Service Commission.

(ii) and (iii). In this connection I would refer the Honourable Member to my reply to parts (b) and (c) of question No. 1003. The so-called unqualified men confirmed were all recruited before 1929.

(b) I am unable to give a definite reply to the question without knowing whom my Honourable friend is referring to. Recruitment to the Second Division is partly made direct and partly by selection from the Lower Division and that probably explains the apparent supersessions.

(c) I am not aware of any case in which appeals and representations have not been gone into.

*Statement showing the number of staff officiating in 2nd Division in the office of the Railway Board during March, 1933.*

| Serial No. | Names.                     | Date of appointment.  | Remarks.                                         |
|------------|----------------------------|-----------------------|--------------------------------------------------|
| 1          | Mr. J. Hubert . . .        | 13th Jan., 1909 . . . | ..                                               |
| 2          | Mr. B. N. Banerjee . . .   | 16th Aug., 1914 . . . | ..                                               |
| 3          | Mr. Narendra Nath . . .    | 21st Sep., 1917 . . . | Qualified for Lower Division and Typing in 1920. |
| 4          | Mr. S. G. Apte . . .       | 16th Sep., 1918 . . . | ..                                               |
| 5          | Mr. Murari Lall . . .      | 5th Jan., 1920 . . .  | Qualified for Lower Division and Typing in 1920. |
| 6          | Mr. Ramzan Khan . . .      | 12th Aug., 1921 . . . | Qualified for Lower Division and Typing in 1922. |
| 7          | Mr. Abdul Karim I. . .     | 1st July, 1924 . . .  | Qualified for II Division in 1922.               |
| 8          | Mr. Ali Akhtar . . .       | 3rd Jan., 1925 . . .  | ..                                               |
| 9          | Mr. S. K. Srivastawa . . . | 26th Nov., 1925 . . . | Qualified for III Division in 1929.              |

#### GRIEVANCES OF THE STAFF OF THE RAILWAY BOARD.

1006. **\*Mr. T. N. Ramakrishna Reddi:** (a) Will Government please state whether permission to interview higher authorities like the Member or the Financial Commissioner of Railways, is refused to the staff, Railway Board, who do not get justice at the hands of junior officers? If so, why? Do Government propose to lay down definite orders for future that requests for interview should not be turned down by junior officers except in exceptional cases?

(b) Is it also a fact that appeals and representations, etc., made by the staff, are delayed in the Cash Branch and are in several cases not forwarded to the officers to whom they are addressed? If so, what are the reasons therefor?

(c) Is the Financial Commissioner, Railways, prepared to enquire and inform this House how many appeals and applications of all natures made by the staff to the Secretary or to the Board have been detained by junior branch officers, and why?

term vacancies by promotion within the branch concerned is convenient and conducive to efficiency.

(c) I am not aware of this being so.

(d) No.

**Mr. T. N. Ramakrishna Reddi:** With reference to the reply to part (a) of the question that promotions are made within the branch irrespective of the seniority of the whole staff taken together, is it a fact that two gentlemen have been very recently confirmed over the heads of senior members in the Department?

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(c) Is the Financial Commissioner, Railways, prepared to enquire and inform this House how many appeals and applications of all natures made by the staff to the Secretary or to the Board have been detained by junior branch officers, and why?

(d) Do Government propose to take serious action against the staff who are responsible for delaying the appeals and representations of the Railway Board staff in order to discourage recurrence of such mischief? If not, why not?

(e) Are Government aware that there are no such complaints in other Departments except the Railway Board and is the Honourable Member prepared to remove the grievances of the staff by meting out justice to them? If not, why not?

**Mr. P. R. Rau:** (a) I understand the staff are permitted to interview the Secretary in all cases, and I am sure that in all sufficiently important cases he will see that the case is put up to the Board for orders.

(b) No.

(c) No. I am afraid such an investigation will be most unprofitable and no circumstances have arisen to justify it.

(d) If any cases are brought to light in which appeals are being delayed unduly in the Branch and not put up to the officer concerned for orders, disciplinary action will certainly be taken against the staff concerned.

(e) Government have no reason to think that the Railway Board's staff are suffering under any special grievances in this matter.

**Mr. T. N. Ramakrishna Reddi:** Does the Honourable Member mean that he has not received any representation about the grievances from the subordinate staff? Is it not a fact that a number of representations have been made to the Secretary and that they have not been looked into or that they have been thrown into the waste paper basket? Is the Honourable Member prepared to make inquiries in his Department and find out whether any such representations have been received and what action has been taken on those representations?

**Mr. P. R. Rau:** I am not aware, Sir, what representations my Honourable friend is specially referring to.

**Mr. T. N. Ramakrishna Reddi:** I am specially referring to this important representation, apart from the others, in which it was pointed out that two junior members had been promoted over the heads of the seniors in the Department. I should like to know what action has been taken on that representation or what action does the Honourable Member propose to take?

**Mr. P. R. Rau:** Is the Honourable Member referring to a recent representation.

**Mr. T. N. Ramakrishna Reddi:** Yes, I am referring to the recent representation.

**Mr. P. R. Rau:** I shall have that matter examined, Sir.

#### RETRENCHMENT OF MUSLIM EMPLOYEES IN THE SIND AND BALUCHISTAN POSTAL CIRCLE.

1007. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Are Government aware that contrary to the instructions of the Director General, Posts and Telegraphs, Muslim employees were retrenched in the Sind and Baluchistan Postal Circle?

(b) If the reply to the above be in the affirmative, what action do Government propose to take to right the wrong?

**Sir Thomas Ryan:** (a) and (b). Government are not aware that the fact is as stated by the Honourable Member and see no reason for any special action.

#### MUSLIM CANDIDATES FOR APPOINTMENT IN THE SIND AND BALUCHISTAN POSTAL CIRCLE.

1008. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Will Government please state the total number of applications received for entertainment in the Sind and Baluchistan Postal Circle by the various Postal Superintendents and First Class Postmasters and the Director of Posts and Telegraphs, Sind and Baluchistan Circle, from the 1st January, 1928 to the 31st December, 1932?

(b) How many Muslim candidates had applied and how many Non-Muslims in each year?

**The Honourable Sir Frank Noyce:** (a) and (b). Government have no information and its collection would involve an undue expenditure of time and labour.

#### INADEQUATE APPOINTMENTS OF MUSLIMS IN THE KARACHI GENERAL POST OFFICE.

1009. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Will Government please state whether it is a fact that 11 vacancies occurred in the Karachi General Post Office, out of which only two were given to the Muslims? If so, will Government please state why the third vacancy rule was not observed in this case?

**The Honourable Sir Frank Noyce:** With your permission, Sir, I will take questions Nos. 1009 and 1010 together.

The reply to both questions is in the negative. The latest figures in possession of Government which are upto 31st December, 1932, show that the only appointment by direct recruitment made by the Postmaster, Karachi, during the year 1932 was that of a Muslim as a Lower Division clerk. The Honourable Member is referred in this connection to the statement laid on the table of this House on the 22nd March, 1933, in reply to Seth Haji Abdoola Haroon's starred question No. 409 asked on the 21st February, 1933; as this has not yet been seen by Honourable Members I shall read a portion of it for their information; it refers to recruitment during three years in the Karachi General Post Office and runs thus:

"There were 35 vacancies and not 16 as stated by the Honourable Member. Of these, five were abolished and three were converted into Lower Division posts and filled up by the promotion of departmental officials. Of the remaining 27 vacancies in the upper division clerical cadre, 12 and not two as stated by the Honourable Member were filled by Muslims."

#### VIOLATION OF GOVERNMENT ORDERS ABOUT RECRUITMENT BY THE POSTMASTER, KARACHI.

†1010. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Is it a fact that Government orders about recruitment are violated by the Postmaster, Karachi?

† For answer to this question, see answer to question No. 1009.

(d) Do Government propose to take serious action against the staff who are responsible for delaying the appeals and representations of the Railway Board staff in order to discourage recurrence of such mischief? If not, why not?

(e) Are Government aware that there are no such complaints in other Departments except the Railway Board and is the Honourable Member prepared to remove the grievances of the staff by meting out justice to them? If not, why not?

**Mr. P. R. Rau:** (a) I understand the staff are permitted to interview the Secretary in all cases, and I am sure that in all sufficiently important cases he will see that the case is put up to the Board for orders.

(b) No.

(c) No. I am afraid such an investigation will be most unprofitable and no circumstances have arisen to justify it.

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**Mr. P. R. Rau:** Is the Honourable Member referring to a recent representation.

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**Sir Thomas Ryan:** (a) and (b). Government are not aware that the fact is as stated by the Honourable Member and see no reason for any special action.

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**The Honourable Sir Frank Noyce:** With your permission, Sir, I will take questions Nos. 1009 and 1010 together.

The reply to both questions is in the negative. The latest figures in possession of Government which are upto 31st December, 1932, show that the only appointment by direct recruitment made by the Postmaster, Karachi, during the year 1932 was that of a Muslim as a Lower Division clerk. The Honourable Member is referred in this connection to the statement laid on the table of this House on the 22nd March, 1933, in reply to Seth Haji Abdoola Haroon's starred question No. 409 asked on the 21st February, 1933; as this has not yet been seen by Honourable Members I shall read a portion of it for their information; it refers to recruitment during three years in the Karachi General Post Office and runs thus:

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† For answer to this question, see answer to question No. 1009.

# COMMUNAL COMPOSITION OF THE STAFF IN THE KARACHI GENERAL POST OFFICE.

1011. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Will Government be pleased to state the communal composition of the staff in each scale in the Karachi General Post Office?

(b) How many vacancies occurred in each scale during the years 1931 to 1933, and how were they filled?

(c) How many of them were given to Muslims by merit?

(d) How many of them were given on the basis of the third vacancy rule separately to (a) Muslims, (b) Sikhs, (c) Christians, and (d) others?

(e) Is it a fact that orders regarding the third vacancy rule were not observed?

**The Honourable Sir Frank Noyce:** With your permission, Sir, I propose to reply to questions Nos. 1011, 1012 and 1013 together.

The information is not readily available and I do not think it would be useful to collect it since as I have frequently pointed out to this House the existing composition is the result of many past years recruitment.

I have no reason to believe that lately recruitment has been, or that it is now being, effected otherwise than in conformity with the orders of Government. If however the Honourable Member is in possession of authentic information to the contrary and will communicate it to me, I shall be prepared to make enquiries.

# COMMUNAL COMPOSITION OF THE STAFF IN THE QUETTA POST OFFICE AND THE BALUCHISTAN POSTAL DIVISION.

†1012. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Will Government be pleased to state the communal composition of the staff in each scale in the Quetta Head Post Office and the Baluchistan Postal Division, respectively?

(b) How many vacancies in each cadre occurred during the years 1928 to 1930 in the Quetta General Post Office and the Baluchistan Division?

(c) How many of them were given to Muslims in the Quetta General Post Office and Baluchistan Division, respectively?

# MUSLIM INFERIOR SERVANTS IN THE QUETTA HEAD POST OFFICE AND ITS TOWN SUB-POST OFFICES.

†1013. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that there are twenty-five appointments of inferior servants in the Quetta Head Post Office and its Town Sub-Post Offices?

(b) Is it a fact that out of these 25 appointments, 16 posts are held by Hindus and only 9 by Muslims?

(c) Is it a fact that one appointment of a messenger at the Staff College was abolished in October, 1932?

(d) Is it a fact that one Muslim inferior servant was retrenched?

(e) Is it a fact that by this action of the Hindu Postmaster, Quetta, the percentage of the Muslims fell from 36 per cent. to 33½ per cent. and that of Hindus rose from 64 per cent. to 66½ per cent.?

† For answer to this question, see answer to question No. 1011.

# RETENTION OF A CLERK DEALING WITH APPOINTMENT AND LEAVE CASES IN THE QUETTA HEAD POST OFFICE FOR OVER THREE YEARS.

1014. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that according to orders the clerk of a first class Postmaster, dealing with appointments and leave cases cannot be allowed to remain in that branch for more than three years?

(b) Is it a fact that one Sunderdas has been working since 1928 in that capacity in the Quetta Head Post Office except for a short period when he was on leave?

**Sir Thomas Ryan:** (a) No.

(b) Government have no information.

# APPOINTMENT OF INSPECTORS OF POST OFFICES.

1015. \***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Is it a fact that the Director General, Posts and Telegraphs, has ruled that only junior officials, under 35 years of age, who have passed the Inspector's examination should be appointed to act in the Inspector's cadre and, in case no such official is available, the officials who have passed the old inspector's examination should be appointed and in their absence junior officials recommended for inspector's examination should be appointed?

**Sir Thomas Ryan:** The facts are not exactly as stated by the Honourable Member. A copy of the relevant orders is placed on the table.

*Extract (paragraph 5) from Director-General's Circular No. 46, dated the 3rd March, 1932.*

5. Promotion to the new Inspectors' cadres will be made (1) from existing "junior" passed officials who are described in the 3 categories below:
- (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;
  - (ii) Those who were allowed to appear as a special case at the first Lowest Selection Grade examination, having already been selected to appear at the old examination for Inspectors of Post Offices and Head Clerks to Superintendents of Post Offices or for Inspectors, Railway Mail Service, and who actually passed the first Lowest Selection Grade examination;
  - (iii) Those who were allowed to appear as a special case at the second Lowest Selection Grade Examination as junior candidates and who actually passed that examination;

whether they are attached to the Circle Office, Dead Letter Office, Divisional Office, Post Office, or Railway Mail Service, and

- (2) From those who pass the new Inspectors' examination.

*Copy of Director General's General letter No. Es. B.-206-54/32, dated the 8th February, 1933.*

I am directed to say that in cases of clear vacancies in the Inspector's cadre and when men eligible for promotion to those posts are not available, officials in the general line of the lower selection grade who may have passed the old Inspector's examination may be appointed provisionally until men who will pass the new Inspectors' examination become available. In the absence, however, of such men, time scale officials who are likely to be nominated

for the Inspectors' examination and who fulfil the conditions prescribed in paragraph 5 of the proposed rules for the said examination (extract paragraph 5 enclosed) may be appointed provisionally until men eligible for promotion become available.

*Extract paragraph 5 referred to above.*

A candidate must fulfil the following conditions to be eligible for nomination for the examination in accordance with Rule 6:

- (i) he must have passed the 1st efficiency bar of the time-scale prior to the date of the examination,
- (ii) he must not be over 35 years of age on the date of the examination,
- (iii) he must possess an unblemished record as regards work, conduct and character,
- (iv) he must be physically fit and of active habit and be able to ride a bicycle or a pony,
- (v) he must possess a good knowledge of two main vernaculars of the postal circle to which he may belong.

#### VACANCIES FILLED UP IN THE KARACHI POST OFFICE.

1016. \*Mr. M. Maswood Ahmad (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that the Director General, Posts and Telegraphs, issued instructions to all Heads of Circles, in August, 1932, that vacancies in the lower division cadre should be given alternately to the departmental qualified officials and the ex-approved candidates?

(b) Is it a fact that the Director General, Posts and Telegraphs, further decided that in filling up the appointments from the ex-approved candidates, orders regarding reservation of the third vacancy for the minority communities should be strictly observed?

(c) If the replies to parts (a) and (b) are in the affirmative, will Government please state how many vacancies in the lower division occurred in the Karachi Post Office since the issue of these orders and the names of the ex-approved candidates and departmental officials appointed to fill them up with dates of their appointments?

Sir Thomas Ryan: (a) and (b). Yes.

(c) Government are not in possession of the information asked for. If the Honourable Member has evidence justifying the belief that my orders have not been observed, and will furnish it to me, I shall be glad to make enquiries.

#### GRIEVANCES OF THE MUSLIM STAFF OF THE QUETTA HEAD POST OFFICE.

1017. \*Mr. M. Maswood Ahmad (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that the Muslim staff, Quetta H. O. (not as members of the Muslim Union) applied to Mr. Mitra, Director, Posts and Telegraphs, Karachi, in writing, for grant of an interview to explain their grievances?

(b) Is it a fact that Mr. Mitra refused to grant an interview to the Muslim staff and that his camp clerk informed them accordingly in writing?

(c) Is it a fact that while he refused an interview to the Muslim staff, he gave an interview to the Hindu staff?

(d) If these are facts, will Government please state why preferential treatment was meted out to the members of one community, and what action do Government propose to take in the matter?

The Honourable Sir Frank Noyce: Enquiries are being made a reply will be placed on the table in due course.

#### GRIEVANCES OF MUSLIM POSTAL EMPLOYEES.

1018. \*Mr. M. Maswood Ahmad (on behalf of Mr. Muhammad Anwar-ul-Azim): Is it a fact that at Karachi Mr. Ahsanullah, the Editor of Unity, asked Mr. DeMonte, the Chief Engineer, Posts and Telegraphs, to grant an interview in connection with the grievances of Muslim postal employees, but that that officer refused to grant his request?

Sir Thomas Ryan: Yes, the interview was refused as it was on behalf of a Union which is not recognised by the Department.

#### COMMUNAL COMPOSITION OF GRADUATES EMPLOYED IN THE BURMA POSTAL CIRCLE.

1019. \*Mr. M. Maswood Ahmad (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Will Government please state the communal composition of graduates employed in the Burma Postal Circle, including the Circle office?

(b) Is it a fact that there is only one Muslim graduate employed in the Circle?

(c) Will Government please state the pay of the Muslim graduate and the graduates junior to him in the gradation list, with dates of entry in the Department?

(d) Is it a fact that graduates have met with differential treatment in respect of pay and, if so, why?

(e) Have Government considered the desirability of removing anomalies by giving higher pay to seniors in preference to their juniors in service by revising the orders or by the grant of advance increments, if necessary? If so, with what result?

(f) Will Government be pleased to state whether the particulars given below are correct:

| Names.                   | Date of entry.               | Pay on           | Pay on              | Qualifications. |
|--------------------------|------------------------------|------------------|---------------------|-----------------|
|                          |                              | 22nd July, 1929. | 5th December, 1932. |                 |
|                          |                              | Rs.              | Rs.                 |                 |
| Mg. Thein . . . .        | 17th April, 1925 . . . .     | 85               | 100                 | H.S.F.          |
| " Ba Kyaw . . . .        | 18th September, 1925 . . . . | 85               | 100                 | F.A.            |
| " M. Paul . . . .        | 24th November, 1925 . . . .  | 105              | 120                 | H.S.F.          |
| " Sint . . . .           | 11th February, 1926 . . . .  | 85               | 100                 | B.A.            |
| " . . . .                | 7th August, 1926 . . . .     | 100              | 120                 |                 |
| S. Swaminathan . . . .   | 8th August, 1926 . . . .     | 80               | 100                 | H.S.F.          |
| G. D. Jeganathan . . . . | 20th November, 1926 . . . .  | 80               | 100                 | H.S.F.          |
| Saw Thein Shwe Mg. . . . | 25th March, 1927 . . . .     | 80               | 95                  | B.A.            |
| Mg. Shein . . . .        | 22nd June, 1927 . . . .      | 100              | 115                 | H.S.F.          |
| H. L. Dey . . . .        | 1st August, 1927 . . . .     | 80               | 95                  | B.A.            |
| Miss A. Rodricks . . . . | 3rd November, 1924 . . . .   | 75               | 90                  | H.S.F.          |
| Abdul Gani . . . .       | 6th September, 1927 . . . .  | 75               | 90                  | B.A.            |
| L. Lon Shain . . . .     | 3rd December, 1927 . . . .   | ..               | 120                 |                 |
| M. L. Karanja . . . .    |                              |                  |                     |                 |

Sir Thomas Ryan: (a) to (c). Government regret that the information is not readily available.

(d) and (e). The Honourable Member's attention is invited to parts (c), (e) and (g) of the reply given in this House to Mr. S. G. Jog's starred question No. 1057 on the 21st March, 1931.



[Sir George Schuster.]

was improper to include in the Finance Bill Part III of the Schedule dealing with income-tax which establishes procedure for the assessment and collection of tax. I imagine that there may be two points which you would consider relevant in connection with this question, first, whether the procedure is technically in order, and secondly, whether the procedure is desirable.

I will deal with the latter point first. As regards the desirability of the procedure—a procedure involving inclusion in the Finance Bill of provisions which would more properly find their place in the Income-tax Act,—we on this side of the House are entirely in agreement with the Honourable Member who raised the point. On general grounds we certainly agree that it is not desirable to include in the Finance Bill provisions which should properly be found in the Income-tax Act. On the other hand, practical necessity sometimes overrides the question of principle in this matter, and on occasions it is necessary to follow the course which we have followed in this case. It frequently happens that when a new provision is made as regards the rates of income-tax or the classes to which it applies, it may be necessary simultaneously to make some change in the procedure. I would remind the House of one clear instance of that which the House itself approved no longer ago than yesterday. When the amendment reducing the rates of tax on incomes between Rs. 1,000 and Rs. 1,500 was moved, a further amendment was moved by my Honourable friend, Mr. James, inserting a proviso which laid down certain regulations as regards the collection of that tax. The terms of that proviso ought really to be included in the Income-tax Act, but there was no time to get an amendment of the Income-tax Act when we needed a provision simultaneously with the change in the rate of tax. Therefore it was appropriate to provide for that in a proviso in the Finance Bill and the House approved of that. The same reasoning exactly applies to the present case on which my Honourable friend raised his point of order. It was desirable to provide for summary assessment in the case of income-tax on low incomes. I do not propose now to enlarge upon the reasons why that was desirable, because I shall have an opportunity to do that on the actual amendment which has been moved. I would merely say that it was desirable in the interests of the assesses and that is a point which I shall be able to establish. Therefore, Sir, my point is that although in principle I agree with the Honourable Member, one must recognise that in practice exceptions must on occasions be made, and we maintain that this is one of those occasions.

Then, on the technical point, two points were raised, first, that it was technically out of order to include provisions regarding collection of tax in the Finance Bill. That was the first point, and the second point was that as no mention had been made in the title and preamble to the Bill of a measure of this kind it could not properly find a place in the Bill. As regards the first of those points, I think it is not necessary to go beyond a reference to the practice in the United Kingdom. You, Sir, I think are well aware that the successive Finance Acts in the United Kingdom contain hundreds of pages dealing with procedure as regards the collection of tax. I need not give the House specific instances of that; they have merely to refer to British Finance Acts to verify what I say. On the second point, that the title and preamble to the Bill govern the Bill and, therefore, make it improper to include a provision of this

kind, I would just refer briefly to the authorities on the subject. Quoting from Craies on Statute Law, pages 182-183, there is a long passage dealing with this question and the summary of the paragraphs which deal with it is as follows:

"If the language of the enactment is clear, the preamble must be disregarded; if the language is not clear, the preamble may be resorted to to throw light on the meaning."

There are a number of judgments which support that summary statement of the position, and perhaps the most clear and lucid for my purpose is a passage from the judgment of Lord Halsbury in *Powell v. Kempton Park Racecourse Co.*, in which he said this:

"Two propositions are quite clear, one that a preamble may afford useful light as to what a statute intends to reach, and the other that if an enactment is itself clear and unambiguous, no preamble can qualify or cut down the enactment."

It is always the practice, and it has been the practice in this Legislature to give in the title and preamble to the Bill merely the general purpose of the Bill and not to cover every possible point that may be raised in the Bill, certainly not to include merely consequential points. If Honourable Members will look through the Acts which have been passed by this Legislature, they will find a number of instances, but I was fortunate enough to be able to come across one short example by which, I am sure, the House will be impressed. I could hardly quote a better authority to convince the House, both from his position in the House and from his knowledge of the law and of parliamentary procedure, than my Honourable friend, the Leader of the Opposition . . . . .

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Who is the Leader of the Opposition?

**The Honourable Sir George Schuster:** . . . . . and I have before me an Act further to amend the Indian Penal Code which was introduced as a private Bill by my Honourable friend, Sir Hari Singh Gour. The title to the Act is: "An Act further to amend the Indian Penal Code", and the preamble is: "Whereas it is expedient further to amend the Indian Penal Code . . ." Section 5 of that Act reads:

"In Schedule II to the Code of Criminal Procedure, 1898, for the entries against section 376 the following entries shall be substituted . . . . ."

That, Sir, is the case. A Bill to amend the Indian Penal Code sought to amend, by one of its sections, the Code of Criminal Procedure. I think the House will find that a sufficiently convincing example.

**Mr. K. C. Neogy** (Dacca Division: Non-Muhammadan Rural): I desire just to say a few words in regard to the history of the Income-tax Act which was considered in 1921, when I was a Member of the Central Legislature. If the Honourable the Finance Member will refer to the speech made by Sir Malcolm Hailey on that occasion, he will find it has a bearing on this point of order. Speaking on the 19th September, 1921, in the Legislative Assembly, Sir Malcolm Hailey said:

"It is a Bill which provides for procedure and definition only. It contains no schedule of rates, and in itself, therefore, it imposes no taxation. The result of that is that the rates will every year have to be imposed and any important substantial changes will have to be effected through the medium of a Finance Bill as in England. I need not point out to the House the full constitutional effect of the change we now propose to introduce", and so on.

I remember very well that this convention was regarded as of some importance, because what the Government were anxious to do on that

[Mr. K. C. Neogy.]

occasion was to leave one of the important sources of taxation subject to annual review. That is the history as to the reason why the rates were not fixed by that Act. That Act was intended merely to lay down the procedure, and that explains the particular wording of this preamble. That is to say, this Bill is intended merely to fix the rates of income-tax, and this merely carries out a convention which was created in the year 1921. I do not think that the precedents which the Honourable Member has quoted in his support have much to do with the matter. I quite realise the practical difficulties which the Honourable Member is confronted with, because, in this particular instance the taxable limit was lowered beyond two thousand rupees and that necessitated a special procedure. But the Honourable Member, while bringing about such an amendment in the rates, might, at the same time, put in a short Bill seeking to give effect to the procedure that might be needed on the particular occasion, and that Bill might be taken up along with the Finance Bill for disposal by this House.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): I do not wish to make a long speech, but I would invite attention only to the latest ruling from the Chair on a subject very much similar to this. It was on the 16th March, dealing with this very Bill, that you were pleased from the Chair to give a ruling in regard to certain amendments which were tabled by my friend, Mr. Maswood Ahmad: You then said:

"All amendments to a Bill which is before the House must be within the scope of the Bill. The scope of a Bill is to be sought not in the statement of Objects and Reasons but either in the Title to the Bill or in the Preamble to the Bill. Honourable Members will observe that in the Title and in the Preamble to the present Finance Bill there is no mention of the Indian Finance (Supplementary and Extending) Act, 1931."

Later on, I had the honour to invite your attention to the express provisions of sub-clause (2) of clause 3, in which specific mention was made of the Indian Finance (Supplementary and Extending) Act, 1931. You said:

"The Chair does not agree with the Honourable Member. The Chair has made it perfectly clear that the scope of a Bill is to be sought either in the Title or in the Preamble to the Bill. A proviso excluding the operation of a certain Act in the operative clause does not enable the Chair or the House to find out exactly what the scope of the Bill is."

Therefore, you disregarded the express provision embodied in sub-clause (2) of clause 3 for the purpose of deciding whether or not the proposed amendment was within the scope of the Bill. By parity of reasoning, I submit, so far as the present amendment is concerned, there is nothing to be found in the Title or the Preamble to the Bill to suggest that this Bill seeks to amend the Income-tax Act.

Then, Sir, with reference to the opinions of Lord Halsbury and other eminent authorities, which were quoted by my friend, the Honourable the Finance Member, I submit with great respect that they are beside the point. The question there was different. If there is a question of interpretation of a statute, then the Courts have laid it down that if the Preamble is ambiguous, you turn to the text of the Act for the purpose of finding out what the meaning is. On the other hand, if the Preamble is perfectly clear, in some cases the Preamble will override the text of the Act. The question, whether a particular amendment is within the scope of a Bill or not, is a different question altogether, and that point

did not come up for decision. So, I submit, that it is not helpful at all to cite those authorities for the purpose of clearing up the present difficulty.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): I have nothing further to add to the discussion on this point. I would like to point out that the instances quoted by the Honourable the Finance Member, namely, the Bill of my Honourable friend, Sir Hari Singh Gour, to amend the Indian Penal Code, is not to the point, because in that Bill the chief object was to amend the Indian Penal Code and when that amendment was passed, the amendment to the Schedule of the Criminal Procedure Code came as a matter of course. As everybody knows, the Second Schedule to the Criminal Procedure Code only jots down the consecutive sections of the Indian Penal Code and so, when the section of the Indian Penal Code is amended, the Second Schedule to the Criminal Procedure Code ought to be amended accordingly. It is a consequential amendment and, therefore, it is not necessary that the Criminal Procedure Code should be mentioned in the Preamble and, therefore, the instances pointed out by the Honourable the Finance Member are not applicable to this case, because here the omission of the mention of the Indian Income-tax Act, I think, appears to be material and cannot be taken as merely consequential.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty). Order, order. Two issues have been raised in the course of this discussion on the point of order raised by the Honourable Member from Bombay, firstly, whether Part III of Schedule III to the Finance Bill is within the scope of the Bill and, secondly, whether it is desirable in the Finance Bill to make amendments with regard to the procedure for the assessment and collection of income-tax. The Honourable Member from Madras and the Honourable Member from Bengal have quoted a previous ruling of the Chair, that the scope of the Bill is to be sought in the Title and the Preamble of the Bill and that the Income-tax Act, not being mentioned in the Title and the Preamble of the present Finance Bill, any amendment to the provisions of the Income-tax Act will be clearly outside the scope of this Bill. The Chair still upholds the ruling that was originally given; namely, that the Title and the Preamble of a Bill define the scope of the Bill; but the Chair wishes to take this opportunity of supplementing that ruling and not altering it. While the scope of a Bill is to be sought in the Title and the Preamble of a Bill, the Title and the Preamble of a Bill are not to be construed as an exhaustive catalogue of the purposes of the Bill. The Title and the Preamble of a Bill give the purpose of the substance of it. But it is not necessary that ancillary or consequential matters should be referred to in the Title and the Preamble of a Bill. So long as sections of a Bill are ancillary or consequential to the original purpose of a Bill, those provisions of a Bill will be in order. The Finance Bill varies or fixes the rates of income-tax and, as a consequence of this measure, Government have thought it necessary to include certain provisions defining the procedure regarding the assessment and collection of the tax. The Chair holds that this is ancillary to the main purpose of the Bill, that is, fixing rates, and, therefore, this is in order. The Honourable Member from Madras referred to the practice in the House of Commons and contended that even though technically this provision of the Bill might be in order, it was very undesirable to include such provi-

[Mr. President.]

sions in a money Bill. The Chair, therefore, looked up the various Finance Bills of the House of Commons, and it finds that beginning from the Finance Act of 1919—9 & 10, Geo. V, Chapter 32, down to the last Finance Act it has before it.—20 and 21, Geo. V, Chapter 28—there are exhaustive clauses dealing with the procedure relating to the assessment and collection of income-tax. On the analogy of the practice followed in the House of Commons, an amendment of this nature is in order. But the Chair agrees with Honourable Members that such a practice is not very desirable except as a very exceptional circumstance. The Government's case is that they expected this new change in the rates to be temporary and, therefore, they did not want to introduce a permanent amendment in the Income-tax Act. The Chair finds that this part of the Schedule occurs a second time in the Finance Bill. It is now, therefore, for Government to make up their minds whether this is going to be a permanent feature of the Statute-book or not, because, if it is to be a permanent feature of the Statute-book, the non-official Members must have ample opportunities of examining such provisions in detail in Select Committee. That is the opinion that the Chair wishes to express on this point. (Applause.) The House will now resume consideration of the following amendment moved by Pandit Satyendra Nath Sen, namely:

"That in Part III of Schedule III to the Bill, paragraph No. 4 be omitted."

**Mr. C. C. Biswas:** Sir, I must confess that I did not quite appreciate the value or object of the amendment moved by my Honourable friend, Pandit Satyendra Nath Sen. I could have understood him, if he had proposed that the whole of Part III should be deleted. But that is not his amendment. What he seeks is only that paragraph No. 4 be eliminated. Let us examine what this paragraph 4 is. This paragraph 4 says:

"The above procedure"—(that is, the summary procedure which has been laid down in the preceding sections)—"shall apply also to the assessment and collection during the financial year 1933-34 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1932-33."

My friend's quarrel is not with the procedure which is laid down in the first three paragraphs. So far as the assessment for the current year is concerned, apparently he is satisfied with that. His objection only is to the application of the same procedure in regard to those cases which ought to have been assessed in that way during the previous year, but for some reason or other had escaped assessment. Now, I do not see why you should be so tender to those who ought to have been assessed to income-tax, but had somehow managed to escape assessment. As a matter of fact, if you turn to the Indian Income-tax Act itself, you will find there an express provision in section 34 for assessing people who for some reason or other might not have been assessed during the previous year. Well, if you delete this paragraph, that does not mean that so far as the lower incomes are concerned, those who escaped assessment in the last year will not be liable to assessment this year. It only means that in their case the elaborate procedure—the ordinary procedure—would have to be applied. If in the case of these lower incomes you think a summary procedure is desirable, it should be desirable equally whether the assessment is in respect of the current year or in respect of the previous year. So I do not see the point in this amendment of my Honourable friend, Pandit Sen. I am afraid he did not quite realize the significance of the

amendment he has moved, because he is mistaken in thinking that this paragraph creates a liability for the first time. If I followed him aright, he said that he objected to retrospective effect being given to a new provision. There is no question of giving retrospective effect. As a matter of fact, the liability is there under section 34 of the Act. In the case of any person, whatever his income, so long as that income comes within the scope of the Indian Income-tax Act, the liability is there. If he escaped assessment in one year, he is liable to be assessed in the following year. So there is no question of creating a retrospective liability for the first time by this paragraph; it only means that if there was any case of a lower income which escaped assessment in the previous year and it comes to be assessed in the current year, the same summary procedure should be open as if the assessment was in respect of the current year. So I think the amendment is misconceived, and I oppose it.

**The Honourable Sir George Schuster:** Sir, I agree with my Honourable friend who has just spoken that the amendment is misconceived, and he has himself pointed out very clearly in what respect that misconception lies. I, therefore, do not think it necessary for me to go through that part of the argument again. I would only like to take this occasion to emphasize to the House that the whole of this summary procedure is really introduced in the interest of the assesses. That is my first point; and my second point is that it is entirely optional. No assesse

12 Noon. is forced to be assessed according to this summary procedure unless he himself so desires. I would remind the House that up to the year 1917-18, the whole assessment procedure was the same as that which is now prescribed in this Part III of Schedule III for lower incomes. In 1918, the system of calling for returns of incomes was introduced and then there arose a very violent agitation against that, an agitation on the part of the assesses, and, as a result of that agitation and in order to meet it, the summary procedure was retained for the assessment of the lower incomes. Therefore, Sir, this whole idea of summary procedure has always been approached from the point of view of the interests of the assesses. There is, however, another very important interest involved and that is the public interest, because the simplification of procedure which this method of assessment allows saves the Income-tax Department a great deal of money. We estimate that if we had not made provision for this summary procedure, we should have had to spend five or six lakhs more on increases of income-tax staff. I feel sure that the House will be impressed by that consideration. The House has already considered this procedure on the occasion of the last Finance Bill and approved it. Therefore, I think that there is no reason why that opinion should be changed. As regards this particular amendment, it is, as has already been pointed out by my Honourable friend from Bengal, merely an extension to arrears of the procedure which we considered proper for the whole assessment of income-tax. Therefore, I trust that the House will not give favourable consideration to this amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Part III of Schedule III to the Bill, paragraph No. 4 be omitted."

The motion was negatived.

Schedule III, as amended, was added to the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is that clause 6 stand part of the Bill.

**Pandit Satyendra Nath Sen** (Presidency Division: Non-Muhammadsan Rural): Sir, I beg to move:

"That in sub-clause (1) of clause 6 of the Bill, the words 'increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate' be omitted."

That is to say, I want to omit the surcharge on income-tax. Sir, there is a very strong feeling on the subject of income-tax in our unhappy land. The feeling of the House against the high rates of income-tax will be correctly read if we remember that we threw out the rates in 1931 and, not only that, we threw out the whole Finance Bill in that year. If there has been any damping of feeling this year, it is not due to the fact that we have got accustomed to those high rates or we no longer grudge them, but, as my Honourable friend, Mr. Puri, put it yesterday, our feelings have become almost paralysed or, what is perhaps more correct, Honourable Members have realised that they are no better than impotent Members of this House, because all these proceedings are nothing more than a farce. Our opinions are never respected. In fact, our experience in this House is that we can never effect any important change in any important Bill—be it the Ordinance Bill or the Finance Bill,—and, if ever we effect an important change in such Bills, we are always afraid of certification.

The original rates of income-tax are already very high and any surcharge will be quite unsuited in the present economic condition of the country. Sir, this surcharge was not included within the original rates evidently or at least apparently with the intention that this surcharge would be abolished after the lapse of 18 months. We find that that surcharge is not going to be abolished although it was levied originally with a clear pledge given to the people that it would not be continued after the end of 18 months. So, whether that pledge is going to be redeemed or not, it is yet to be seen. It will depend upon the good sense of this House. If the clause will remain there the only effect will be that the injustice of the rates will be kept latent and the collection of revenue will go on all right. If this is the psychology before the eyes of the Honourable the Finance Member, we have got another psychology before us. When you have given that pledge, it is incumbent on us to redeem that pledge at the proper time. If we neglect to do it, that means that it will be delayed indefinitely. That is our experience in our everyday life. Sir, there is an impression amongst the people that once a tax, always a tax. If we fail to omit this surcharge this year, that impression will be confirmed. That impression has already got some confirmation from a singular statement made by the Honourable the Finance Member on a previous amendment, namely, the abolition of the tax in respect of the lowest grade. He opposed the abolition on the ground that it would cause a heavy administrative change. What is the implication of that statement? Does the Honourable the Finance Member mean to continue that tax even when the emergency is over? And if it is ever to be abolished, what will he do with these one thousand men for whom he has got so much sympathy? We know Government want money and we know what the abolition of this surcharge will mean. The total amount of income-tax, I think, is something like 17 or 18 crores. So the surcharge on income-tax together with the surcharge on super-tax will come up to 3½ crores. Hence, this surcharge will amount to about two crores if my calculation is right.

From the opposition offered by the Finance Member yesterday to a much less important amendment, we can well imagine the volume of opposition which he will offer to this amendment. But, Sir, we must impress on him that it is our duty to abolish this tax this year. Sir, his first answer to me will be, how to meet this deficit of about two crores? And he will ask us to make some constructive suggestions. But it is not our business to make constructive suggestions. We can only criticise and we could make constructive suggestions if we were given a full hand in the matter. We do not know the ins and outs of the Department. You just give up your fixtures; if you choose to stick to those fixtures, how can we make constructive suggestions? You have the army expenditure; you have the Lee Concessions and you have the restoration of the salary cut and many other things of that sort. If you do not give up those things, how can we make constructive suggestions? The whole revenue is to be taken as a whole. There are lots of other sources of income and only the will is required.

We have been repeatedly suggesting a prohibitive duty on vegetable ghee, but Government will not put any such duty. Some of the foreign traders in vegetable ghee have recently opened a firm in Bombay. They are thus evading the customs duties to the tune of 25 lakhs of rupees. It was suggested in a question put by my Honourable friend, Sirdar Harbans Singh Brar, that Government should put an excise duty on that article, and there are many other such adulterants which may be heavily taxed. Government do not desire to put any tax on those things. Sir, we know that an Administration cannot go on without money, but our only grievance is that in collecting the money the popular opinion is not respected. Sir, the surcharge has become intolerable and I propose that that surcharge should be omitted. With these words, I move my amendment.

**The Honourable Sir George Schuster:** Sir, the House is only too familiar with my case on this matter. I have argued very fully against amendments which would have involved very much less than this, and as my Honourable friend has just said, it is clear that I must argue much more forcibly against his present proposal which would involve a loss to Government of 2,80 lakhs. Sir, it is impossible to contemplate allowing a gap like that to be made, and I must, therefore, oppose my Honourable friend's amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in sub-clause (1) of clause 6 of the Bill, the words 'increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate' be omitted."

The motion was negatived.

**Pandit Satyendra Nath Sen:** Sir, I beg to move:

"That in sub-clause (2) of clause 6 of the Bill, the words 'increased in each case by one-fourth of the amount of the rate' be omitted."

To put it in plain language, I want to omit this surcharge on super-tax. Sir, this amendment should have been more properly moved by my Honourable friend, Sir Cowasji Jehangir or Mr. Mody. However, as it appears in my name, I have got to move it. Sir, this amendment affects only the rich

[Pandit Satyendra Nath Sen.]

people and it is for this reason that it does not arouse interest among my Honourable friends here. Sir, it is a sin non-a-days to be a high caste man in society or in money. The rich people in this country are always looked upon by others with an amount of disfavour; but if we ponder over the matter, we will have to change our opinion, because the rich people serve society in many ways. There is a Sanskrit saying which says:

*"Dhanikah srotriya rājā nadi baidyashcha panchamah,  
Pancha yatra na vidyante tatra bāsam na kārayet."*

This means that a country is not worth inhabiting if it does not contain a rich man, a king, a good river, a good physician and a learned priest. All philanthropic institutions will bear testimony to this saying. Sir, if we discourage richness of people, we will be encouraging poverty and thereby also encouraging communism. If we want to avoid the state of Russia in this country it is our duty to provide protection for the rich people of the country. I think rich people deserve protection as much as the poor people. With these words, I move my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Amendment moved:

"That in sub-clause (2) of clause 6 of the Bill, the words 'increased in each case by one-fourth of the amount of the rate' be omitted."

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): Sir, this is probably the second scoundrel about whom my Honourable friend, Mr. Puri, spoke yesterday and probably the Honourable the Finance Member will fight against the second scoundrel also to preserve his rights of property. However, whether it is so or not, I am inclined to support this amendment in view of the fact that many useful and charitable institutions owe their existence to rich men and, therefore, they should not be so heavily taxed which might prevent them from being able to spend money on these institutions. With these words, I beg to support the motion.

**Mr. C. C. Biswas**: I am afraid, my Honourable friend, the Finance Member, is entirely responsible for the support which two of my friends have lent to this amendment. The Honourable the Finance Member explained that in his scheme of taxation he was very anxious to provide for an even basis, to distribute the burden as uniformly as possible. It is just the same mentality which has made my Honourable friends on the opposite side equally anxious to lighten the burdens uniformly on all, rich or poor. Sir, I do not think, my friends are sincere in their professions of love for the rich people. My friend, Pandit Sen, quoted a Sanskrit sloka, but I do not find he cited any authority that you must not live in a country where there is a surcharge on income-tax! I do not think we should be justified in accepting this amendment. I oppose it.

**The Honourable Sir George Schuster**: Sir, when my Honourable friend, in moving this amendment, said that it ought properly to be moved by the Honourable Member from Bombay, Sir Cowasji Jehangir, I was preparing to get up and reply that it ought not properly be answered by me, but rather by my Honourable friend, Mr. Amar Nath Dutt. I was, therefore, extremely surprised when my Honourable friend got up to support it. However, I have one consolation. My Honourable colleague, the Law

Member, who often supplies me with interesting comments on the debate whispered to me that he has never heard the Honourable Pandit Sen and the Honourable gentleman who supported him make such sensible speeches as they have just made. Sir, the Mover of this motion seems to assume that it is the desire of us on this side in imposing super-tax on high incomes to destroy the rich men. I have no desire at all to destroy the rich men. In fact the more rich men there are, the better should I, as Finance Member, be pleased. But, Sir, I do seek to get from them a very substantial contribution to my revenue and, therefore, I think the super-tax provisions are thoroughly justified. I think, Sir, that this amendment will kill itself and requires no further comment from me.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in sub-clause (2) of clause 6 of the Bill, the words 'increased in each case by one-fourth of the amount of the rate' be omitted."

The motion was negatived.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair takes it that Government would like to move consequential amendments as a result of the amendments passed.

**Mr. D. G. Mitchell** (Secretary, Legislative Department): With your permission, Mr. President, I want to move three consequential amendments. The first is:

"That clause 5 be omitted, that clauses 6 and 7 be renumbered as clauses 5 and 6, respectively, and that for the words 'see section 6', in the heading to Schedule III, the words 'see section 5' be substituted."

These amendments, Sir, arise from the necessity of deleting clause 5 altogether, in view of Schedule II having been deleted. I hope the House will agree to this amendment.

The motion was adopted.

**Mr. D. G. Mitchell**: The next group of amendments that I move, Mr. President, arises from the deletion of the Second Schedule, and runs as follows:

"That Schedule III be re-numbered as Schedule II, and that for the words 'Third Schedule' wherever they occur in clause 5 (previously clause 6), the words 'Second Schedule' be substituted."

The motion was adopted.

**Mr. D. G. Mitchell**: Mr. President, the last amendment arises from the amendment made yesterday to the Income-tax Schedule which inserted Items (1) and (1A) in the place of original Item No. (1). My amendment is:

"That the items in Part I-A of Schedule II (previously Schedule III) be re-numbered consecutively from (1) to (10)."

The motion was adopted.



**The Honourable Sir George Schuster:** Sir, I move that the Indian Finance Bill, as amended, be passed.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): We are just coming to the end of the woeful story which we repeat year after year. Sir, the world agitation beginning from the French Revolution and culminating in the expulsion of kings from Russia, Germany and other European countries has changed the old theory of political science which was that the "people exist for the comforts of the kings". Now the present agitation has given birth to a new theory, which is that "Government exist for the comforts of the people", but the Members on the Treasury Benches are now evolving a new theory of political science and that theory is that "the people exist for the comforts of Government officials". We have seen traces of this new theory in all the Bills which we have been passing in this Legislature. Take the case of the Ordinance Bill; there we find all possible conveniences for the Government servants and all possible inconveniences for the people. Here also, to meet an emergency, we had an emergency cut of ten per cent., and we had a surcharge of 25 per cent., in all the customs duties, but we find that no attention was paid to the poorer people and the only convenience provided was that the rate of the cut in the salaries of Government servants was reduced from ten per cent. to five per cent.

I shall first take up the question of the export of gold. In his speech from which I am reading, the Honourable the Finance Member said that out of this sum, Government had acquired from its purchase in the market as currency authority no less than £69 and 2/3 millions, which is equivalent to Rs. 93 crores. Before I continue the expenditure side, I would like to divide expenditure under two heads: remunerative or productive—and using the phraseology of Political Economy—I call it visible expenditure. Then the other expenditure is unproductive and I call it invisible expenditure. Visible expenditure is a thing which is productive, and invisible expenditure is a thing which does not produce any substantial change in our daily expenditure. In the first place, Government have used about £34 millions to meet their ordinary current commitments. This is really an invisible and unproductive expenditure, because our ordinary commitments in England which is really an annual charge ought to be met in a regular manner and ought not to be met by the gold reserve of the people. We know that the transport of gold cannot go on for ever: it may go on for a year or for two years, but it cannot go on for an indefinite period, and our commitments must be met by the ordinary sources of income, that is the excess of our exports over our imports—that is, by the balance of trade. That is the only way by which we can meet our foreign commitments. No doubt England last year had an export amounting to £703 millions, while the import was £365 millions. So England can afford to have an unfavourable balance of trade, because she is a creditor country. But, India, which is a debtor country and which has to pay every year something amounting to about £35 millions for her external obligations, cannot afford to have an unfavourable balance of trade. Taking the figures of the last ten years, I find that India has got an unfavourable balance of trade amounting to about two crores of rupees. Every effort should be made to have a favourable balance of trade in order to pay the recurring obligations which we have to pay every year. If we pay our external obligations from the savings of the poorer people, which they had to take

out on account of distress, then I do not call it sound finance. The other day my leader, Sir Abdur Rahim, asked the Finance Member as to what was "sound finance", and the reply given was that "sound" is that which is not unsound, and "finance" is that which is not education or agriculture or industry or labour. This is no doubt the kind of answer which I had been accustomed to read when I used to examine the papers of matriculation candidates: when they did not know the meaning of a particular word, they used to say like this: "sound is that which is not unsound". I would not ask him to define what sound policy is. I would simply ask him whether expenditure to meet our external obligations from the gold of the poorer people is or is not an unsound finance. I would certainly not call it "sound finance". Continuing with the speech of the Honourable the Finance Member, he says that secondly, it has used £15 millions in discharging the 5½ per cent sterling loan which matured on January 1, 1932, thereby liquidating an obligation which cost it £825,000 equivalent to Rs. 110 lakhs per annum, and greatly strengthening its credit in London. Now, payment of debt I call visible expenditure, because if the debt is paid, then the interest charges are reduced and if the interest charges are reduced, then the taxation also would be reduced. This is rather a hopeful picture; but when I come to the actual figures of our loans, I find that although sterling loan has diminished by about 11 crores, our rupee loan has increased by 54 crores. So we have paid money no doubt under one heading, but we have overdrawn under the other head. We take it from one pocket and really put it into the other pocket. Altogether, therefore, we have a loss of about 43 crores: that is, the loans have increased during this period, i.e., from 1931 to 1933 by an amount equivalent to 43 crores and so we are not better off. On account of these loans we have to pay something like 42 crores of rupees every year for our interest charges both in India and in England. We no doubt receive some money from our debtors. But our debtors are really in an insolvent position. So, though we have to pay very regularly the sum of 42 crores in our interest charges, the amount which we are going to realise is something very shaky. Our first debtor is the Railway Department. We know they have to pay to us interest 32 crores a year on a loan of 751 crores. But we all know that the Railway Department is in an insolvent position. During the last two years they could not fulfil their obligations of paying one per cent. at charge, that is, about 7½ crores of rupees, which they had to pay to us under the Convention of 1924. Therefore, it really means that whenever we take 32 crores from them for interest charges, they are reduced to a position that they cannot pay our dues, that is, 7½ crores; or, in other words, they pay us only 24½ crores. It means this: that the general revenues pay 7½ crores every year on behalf of Railways in interest charges and this sum is raised by fresh taxation. So this particular amount lent to the Railway Department is a very shaky business, because though we are paying for their interest very regularly by putting surcharges, we are not getting from them what we ought to have been getting during the last two years.

Our other debtors are not in a very fortunate position. The provinces are our second category of debtors and the Indian States are also our debtors. Coming to the provinces, we find that we really do not receive our interest and that, if we receive something from them, we have to pay them back in the shape of subsidy. We will probably discuss this question on the motion of the White Paper and I do not want to dilate upon it



**The Honourable Sir George Schuster:** Sir, I move that the Indian Finance Bill, as amended, be passed.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): We are just coming to the end of the woeful story which we repeat year after year. Sir, the world agitation beginning from the French Revolution and culminating in the expulsion of kings from Russia, Germany and other European countries has changed the old theory of political science which was that the "people exist for the comforts of the kings". Now the present agitation has given birth to a new theory, which is that "Government exist for the comforts of the people", but the Members on the Treasury Benches are now evolving a new theory of political science and that theory is that "the people exist for the comforts of Government officials". We have seen traces of this new theory in all the Bills which we have been passing in this Legislature. Take the case of the Ordinance Bill; there we find all possible conveniences for the Government servants and all possible inconveniences for the people. Here also, to meet an emergency, we had an emergency cut of ten per cent., and we had a surcharge of 25 per cent., in all the customs duties, but we find that no attention was paid to the poorer people and the only convenience provided was that the rate of the cut in the salaries of Government servants was reduced from ten per cent. to five per cent.

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Our other debtors are not in a very fortunate position. The provinces are our second category of debtors and the Indian States are also our debtors. Coming to the provinces, we find that we really do not receive our interest and that, if we receive something from them, we have to pay them back in the shape of subsidy. We will probably discuss this question on the motion of the White Paper and I do not want to dilate upon it

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on this occasion. We find that the interest that we receive from the provinces is not really genuine interest, because we are taking money from the provinces in payment of interest and we have to give them in the shape of subsidies, and by handing them over our sources of income such as income-tax. This amount which we receive from them is only on paper, but we have to pay interest on their loans by new taxation.

Our third debtors are the Indian States. I do not want to enlarge on it, but I mention one case which we have discussed on several occasions, i.e., the loans advanced to Bahawalpur State. The State owes us 11½ crores—of which seven crores bears interest at six per cent., and the remaining 4½ crores at the provincial rate of interest. Now, the State practically had no hand whatever either in the contraction of the debt or in fixing up the rate of interest. The debt was really imposed on the State by us, and the money was spent by us. We never considered whether the State would ever be in a position to pay the interest on such large sums of money which we have advanced, not for the sake of or in the interest of the State itself, but for our own personal interest or in the interest of a particular province. The State can repudiate the entire amount and ask us to take away our canals which we built to complete the canal proposals of the Punjab. In any case she cannot pay the interests. Therefore, we find that the money we have advanced to various agencies is very shaky. We do not and we cannot get interests from our debtors, but we have to pay interests amounting to 42 crores every year, and realise the amount by taxation. It is really regrettable that the amount of the loan is greatly increasing and it is not diminishing. During the last two years, the amount has increased by 43 crores of rupees and now it amounts to 1,212½ crores.

Then, Sir, I requested the Honourable the Finance Member to tell me whether the principle of conversion which England so successfully applied could not be followed here. My friend said that there are so many obligations here, and no doubt on account of the special contracts we have here, it is not possible to do so, here. In discussing this question of taxes, the Finance Member pointed out, when I presented the budget of a person whose income was only Rs. 100, that the cost of living now-a-days is only half of what it used to be, because the price index has fallen. Can I not use the same argument in regard to the fixing of the rate of interest? When we borrowed money at six per cent. interest, those six rupees could buy a certain article, which today costs only rupees three. Therefore, the amount which we pay is practically double of what we should pay now, since the purchasing power of the rupee has doubled. I do not see any reason why we should not reasonably ask that we should halve the amount of interest. This is also a point which I should like the Finance Member to consider very carefully. Of course, I do not suggest that we should do anything to break our contracts. We do not want to break our contracts, we should respect them; but it does not follow that we should not adopt those methods which the civilized countries are now adopting. I said last time, and I repeat it again, that in this matter we shall have the co-operation of the Government of the United Kingdom, and it is quite possible that if the Government were to look into the matter seriously, they will be able to formulate a policy by means of which it would be possible to reduce further the interest charges.

Now, continuing the speech of the Honourable the Finance Member, and coming to the next item that the Government have added about 11 million pounds to their currency reserve, no doubt the addition of the currency reserve is a visible expenditure, and I have only to point out that the amount we have deposited, namely, 11 million pounds out of 69½ million pounds, is not sufficient. The *Economist*, in its last issue, has said thus:

"Thus the Bank has re-purchased £12·5 millions of the gold sold by it. The motive behind these purchases is probably that it has been felt better to turn part of our recent acquisitions of *devisen* into gold, both because gold possesses a more stable and definite value than foreign currencies, and also because there are obvious objections against the British authorities holding such large amounts of foreign currency."

Therefore, this principle of increasing the quality of gold in our gold reserve has also been advocated by the Hilton-Young Commission and by nearly all the economists of the day, but here I find that the gold reserve in the paper currency reserve has been gradually diminishing. On the 28th February, in the year 1930, the gold bullion in paper currency reserve was 32 crores. In the following year, it was reduced to 23, in the year 1932 it was reduced to only 4 crores, and now, by adding this little thing, it has been increased to 25 crores. Now, 25 crores is the amount of gold in the paper currency reserve while the amount of paper notes is 175 crores. This works up to only 14 per cent. So the amount of gold in our paper currency reserve is only 14 per cent. which is really very small. We ought to work up to a ratio of 40 per cent. The Hilton-Young Commission strongly recommended that we should immediately increase our reserves to 25 per cent., and within ten years' time we should increase it by another 10 per cent., and the total metallic reserve, he said, should be something like 50 per cent., and we should try and have at least 60 or 70 per cent. So at a time when we have enormous amount of gold in the market, at a time when we are contemplating the establishment of a Reserve Bank in this country, it is very desirable that we should have a large stock of gold reserve. Now, the Government of India as the currency authority should purchase gold to a much greater extent than they have done during the last 18 months. No doubt, they did purchase some gold, but this is hopelessly insufficient, and we should have purchased a much larger quantity of gold, in order to reduce the percentage of paper currency from 14 to at least 25 per cent., or making an increase of one per cent. every year which the Commission recommended to 33 per cent. by this time. It means that we should further strengthen our gold reserve by adding 34 crores of rupees.

The last item of expenditure is the 9½ million that was added to the Government's treasury balances, and it is really potentially available for further strengthening their currency reserves. This I call also invisible expenditure. Out of 93 crores, the Government have spent 26 millions in visible expenditure and 43 under invisible expenditure, and I should have very much liked that in future if gold be still available in the market, we should acquire it and spend either in increasing our gold reserves or in paying off our debt, which should be substantially reduced.

Now, Sir, I want to refer to another matter. I want to take up the question of hides and skins. The Government decided in 1927 that the five per cent. export duty should be removed. Therefore, I take 1927 as the starting point and I will show things have changed from bad to worse. I want to establish certain propositions and I leave the Honourable House to draw their own inferences. The first proposition that I want to establish is that the hides and skins export trade is diminishing. This I do by showing that our export has diminished and our income from export duty has also

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on this occasion. We find that the interest that we receive from the provinces is not really genuine interest, because we are taking money from the provinces in payment of interest and we have to give them in the shape of subsidies, and by handing them over our sources of income such as income-tax. This amount which we receive from them is only on paper, but we have to pay interest on their loans by new taxation.

Our third debtors are the Indian States. I do not want to enlarge on it, but I mention one case which we have discussed on several occasions, i.e., the loans advanced to Bahawalpur State. The State owes us 11½ crores—of which seven crores bears interest at six per cent., and the remaining 4½ crores at the provincial rate of interest. Now, the State practically had no hand whatever either in the contraction of the debt or in fixing up the rate of interest. The debt was really imposed on the State by us, and the money was spent by us. We never considered whether the State would ever be in a position to pay the interest on such large sums of money which we have advanced, not for the sake of or in the interest of the State itself, but for our own personal interest or in the interest of a particular province. The State can repudiate the entire amount and ask us to take away our canals which we built to complete the canal proposals of the Punjab. In any case she cannot pay the interests. Therefore, we find that the money we have advanced to various agencies is very shaky. We do not and we cannot get interests from our debtors, but we have to pay interests amounting to 42 crores every year, and realise the amount by taxation. It is really regrettable that the amount of the loan is greatly increasing and it is not diminishing. During the last two years, the amount has increased by 43 crores of rupees and now it amounts to 1,212½ crores.

Then, Sir, I requested the Honourable the Finance Member to tell me whether the principle of conversion which England so successfully applied could not be followed here. My friend said that there are so many obligations here, and no doubt on account of the special contracts we have here, it is not possible to do so, here. In discussing this question of taxes, the Finance Member pointed out, when I presented the budget of a person whose income was only Rs. 100, that the cost of living now-a-days is only half of what it used to be, because the price index has fallen. Can I not use the same argument in regard to the fixing of the rate of interest? When we borrowed money at six per cent. interest, those six rupees could buy a certain article, which today costs only rupees three. Therefore, the amount which we pay is practically double of what we should pay now, since the purchasing power of the rupee has doubled. I do not see any reason why we should not reasonably ask that we should halve the amount of interest. This is also a point which I should like the Finance Member to consider very carefully. Of course, I do not suggest that we should do anything to break our contracts. We do not want to break our contracts, we should respect them; but it does not follow that we should not adopt those methods which the civilized countries are now adopting. I said last time, and I repeat it again, that in this matter we shall have the co-operation of the Government of the United Kingdom, and it is quite possible that if the Government were to look into the matter seriously, they will be able to formulate a policy by means of which it would be possible to reduce further the interest charges.

Now, continuing the speech of the Honourable the Finance Member, and coming to the next item that the Government have added about 11 million pounds to their currency reserve, no doubt the addition of the currency reserve is a visible expenditure, and I have only to point out that the amount we have deposited, namely, 11 million pounds out of 69½ million pounds, is not sufficient. The *Economist*, in its last issue, has said thus:

"Thus the Bank has re-purchased £12·5 millions of the gold sold by it. The motive behind these purchases is probably that it has been felt better to turn part of our recent acquisitions of *devisen* into gold, both because gold possesses a more stable and definite value than foreign currencies, and also because there are obvious objections against the British authorities holding such large amounts of foreign currency."

Therefore, this principle of increasing the quality of gold in our gold reserve has also been advocated by the Hilton-Young Commission and by nearly all the economists of the day, but here I find that the gold reserve in the paper currency reserve has been gradually diminishing. On the 28th February, in the year 1930, the gold bullion in paper currency reserve was 32 crores. In the following year, it was reduced to 23, in the year 1932 it was reduced to only 4 crores, and now, by adding this little thing, it has been increased to 25 crores. Now, 25 crores is the amount of gold in the paper currency reserve while the amount of paper notes is 175 crores. This works up to only 14 per cent. So the amount of gold in our paper currency reserve is only 14 per cent. which is really very small. We ought to work up to a ratio of 40 per cent. The Hilton-Young Commission strongly recommended that we should immediately increase our reserves to 25 per cent., and within ten years' time we should increase it by another 10 per cent., and the total metallic reserve, he said, should be something like 50 per cent., and we should try and have at least 60 or 70 per cent. So at a time when we have enormous amount of gold in the market, at a time when we are contemplating the establishment of a Reserve Bank in this country, it is very desirable that we should have a large stock of gold reserve. Now, the Government of India as the currency authority should purchase gold to a much greater extent than they have done during the last 18 months. No doubt, they did purchase some gold, but this is hopelessly insufficient, and we should have purchased a much larger quantity of gold, in order to reduce the percentage of paper currency from 14 to at least 25 per cent., or making an increase of one per cent. every year which the Commission recommended to 33 per cent. by this time. It means that we should further strengthen our gold reserve by adding 34 crores of rupees.

The last item of expenditure is the 9½ million that was added to the Government's treasury balances, and it is really potentially available for further strengthening their currency reserves. This I call also invisible expenditure. Out of 93 crores, the Government have spent 26 millions in visible expenditure and 43 under invisible expenditure, and I should have very much liked that in future if gold be still available in the market, we should acquire it and spend either in increasing our gold reserves or in paying off our debt, which should be substantially reduced.

Now, Sir, I want to refer to another matter. I want to take up the question of hides and skins. The Government decided in 1927 that the five per cent. export duty should be removed. Therefore, I take 1927 as the starting point and I will show things have changed from bad to worse. I want to establish certain propositions and I leave the Honourable House to draw their own inferences. The first proposition that I want to establish is that the hides and skins export trade is diminishing. This I do by showing that our export has diminished and our income from export duty has also

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diminished. In proof of that I shall just give a few figures. In the year 1927-28, the export of cow hides was about 30,500 tons. Now it has diminished to about 10,500 tons, that is, to about one third. I have taken the figures of the last ten months and added to it one-fifth in order to get the exports for the whole year of 1932-33. Buff hides in the same year was 8.8 thousand tons; now it is reduced to 1.1, that is about one-fifth. Goat skins were 18,706; now they have been reduced to 11,138. Therefore, we find that the export of hides and skins of every variety has been further diminished since the time we decided to remove the duty of five per cent., i.e., 1927-1928. Looking at the same thing from the point of view of income, we find that the income from export duty has also been steadily diminishing. In 1929-30, our estimated income was Rs. 37.74 lakhs, but realised only 35.49; in 1930-31, actual income was 24.80 lakhs; last year it was only Rs. 14 lakhs, and this year it is not likely to be much above though our estimates are for 14 lakhs. So, the actual income has diminished from Rs. 38 lakhs to about ten lakhs. I have, therefore, established by giving figures that the trade has diminished to about one-third during the last five years and that the income also has diminished by about the same proportion, and the tendency is still downwards and we are going down by double marches.

My second proposition is that not only has the export of raw hides and skins diminished, but also the trade in the so-called "tanned skins", because some people argue that if one thing has diminished, the other thing has gone up and they erroneously believe that the loss of export trade is the gain of Madras. I want to prove that the export of tanned hides and skins has also decreased. Let me give you the figures. In the year 1927-28, the amount of tanned buffs and cows exported was 15,760, and this year it is only 9,177. For this year I have taken the figures of the last ten months and added one-fifth to it. In the case of goat-skins, it was 3,724 tons, and now it has diminished to less than 3,000 tons, and the total of tanned hides and skins of every description has diminished from 23,256 in 1927-28, to 14,738 in 1932-33. In other words, the trade of tanned skins has also diminished to about two thirds.

My third proposition is that the world requirements have not diminished, that the amount of hides which Germany, America, and the United Kingdom have been importing from other countries during the same year has remained almost uniform. Though our exports have diminished, the world requirements have not diminished, and, therefore, one cannot say that this diminution is due to world depression. If it had been due to world depression, then certainly the import of hides and skins into countries like Germany, America, and the United Kingdom would also have diminished. I have got the import figures of all these three countries in my hand. The imports in Germany is pretty nearly five millions; it is just fluctuating, slightly over and sometimes slightly less, but it is practically about five millions. I need not read all the figures, because they would be uninteresting, it was 5 millions in 1912, 5.7 in 1931 and 5.9 in 1932. Now, coming to the United States, I find there also the quantity of import is practically the same. The imports from India into the United States of America have diminished from 38 per cent. of the total to about 28 per cent, and the amount from China has increased from

13 per cent. to 17 per cent. My point was that the world requirements have not substantially changed. The demand for hides and skins in these three important manufacturing countries is pretty nearly uniform. Hence I conclude that our loss of trade both in tanned skins and in raw hides is not due to the world depression. That is the third proposition which I wanted to establish.

The fourth proposition which I want to establish is that the duty of five per cent which they charge *ad valorem* is charged in a very uneven and undesirable manner. That is, they actually put down the value of the articles at a much higher rate than the real market value. The price at which the duty is calculated is not the price of the day, but it is the price which Government evaluated a few years back, and, therefore, the five per cent duty really works out to something much higher. In the case of goat skins, the prices have gone down to about 60 per cent, and, therefore, the actual duty which they have to pay is not five per cent, now, but 8.13 per cent. In the case of kid skins, it is about 14 2/7. In the case of smaller pieces, the duty is so large that the trade has practically been killed, because the value has fallen to Rs. 15 per hundred pieces and, therefore, the five per cent duty works up to 33.3 per cent, and this duty has killed completely the trade of smaller pieces. As regards cow hides, there are three varieties of cow hides, the third quality, the second quality and the first. In the case of the third, the 5 per cent duty works out to 7.3 per cent; in the case of the second quality, it works out to 5.35 per cent. It is only in the case of the first quality that the actual duty is not abnormally higher than the scheduled duty. So practically we are now killing the export of second and third qualities, and we have successfully killed the trade in small pieces, and very substantially reduced the export of other kinds of skins owing to the wrong manner in which the duty has been calculated. My Honourable friends may ask, why are not the proper authorities approached in order that the prices may be adjusted. Those who have got some experience in business will know that it is exceedingly difficult to approach the proper authorities and get redresses. It is easier to approach the Commerce Member than the demi-gods on the spot. Can any one suppose that these demi-gods are ignorant of these facts or no one ever approached them? There is one more proposition which I submit and it should be a conclusive agreement of my case. In the case of the export of hides and skins from Burma, the manner in which the duty is calculated is different. They are also required to pay the five per cent duty *ad valorem* as we do, but their method of valuation is somewhat different so that in practice it does not work out to such a high figure as it does in the case of India. What is the result? The result is that the actual export trade from Burma in hides and skins has been increasing, while for the rest of India it is diminishing. It is a peculiar and curious fact that by giving a slight advantage in the method of valuation to Burma, the trade is actually increasing. I shall give the figures for Burma. I have got the Sea Borne Trade statistics for March, 1932, and Burma. I have got the Sea Borne Trade statistics for March, 1932, and from that I find (page 180) that the export from Burma in 1929-30 was 2,764 tons, in 1930-31 it increased to 3,613, and in the following year it increased to 3,729 tons; while during the same period the export trade of the rest of India fell from 22,481 tons to 12,836 tons. It follows that the export trade of Burma is gradually increasing while we find that the export trade of India is rapidly diminishing. Therefore, this fact that export from one place, that is, Burma is increasing and export from

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the rest of India is diminishing should be explained, and the only explanation is that the actual amount of export duty which we charge for exports from Rangoon is less than the duty charged in the case of the rest of India on account of a different method of calculation.

I have so far proved that the export of our trade in both raw and tanned hides and skins is diminishing, but the world demand has not diminished. Our trade has gone to other countries which are not so unfortunately placed as we are. Our trade is suffering for two reasons, (1) Export duty of five per cent. *ad valorem*, (2) abnormally high value fixed for calculating the *ad valorem* duty.

I have only to prove that trade will regain its position, if five per cent. duty is imposed on it:

I have given internal proof. The trade from Burma is increasing on account of the removal of higher valuation. As regards external evidence, I have got certain correspondence in my hand in which 1 P.M. they said that if India could sell in America raw hides at 15d per piece instead of 16, then they could sell the whole stock. I have worked out the details very carefully from the business correspondence supplied to me that the present cost of an exporter works up to 16d. per piece. I have taken actual cost in India, profit of one per cent to the man who carries on the whole business, which is very small profit, exchange, the steamer freight and the railway freight, brokerage and insurance charges, and I find, with this five per cent. duty, the exporter in India cannot possibly sell a piece for less than 16d. in America. Now, here is a telegram from the brokers in America in which they say that if we could only reduce the price in America from 16d to 15d, then the whole stock can be sold. If you work it out, it comes to a little less than five per cent. Here I repeat, by the way, that a duty of Rs. 5 is charged on the article whose price is 70 and here the percentage is about 7 per cent. If we could only remove the duty of five per cent., I am perfectly certain that like Burma, the export trade will begin to appreciate. This particular trade has been ruined on account of the export duty. The export duty is a very unnatural duty. It is not working as revenue duty, but it is a destructive duty and if it continued then our exports will be hit very hard and I think it is not the intention of the Commerce Member to do so. There is no justification for this export duty. This is a very unhealthy source of income and is killing practically the whole of the trade. I gave notice of an amendment on this subject, but it was ruled out of order. I do appeal to the Honourable the Commerce Member to consider this seriously and if the present state of things continues for sometime, then this particular trade will be killed and the amount of income which the Honourable the Finance Member has budgeted, namely, 14 lakhs, will also entirely disappear. The law of diminishing return was set in five years ago and we are waiting to see that the disease may disappear with the disappearance of the patient. (*Na Marz, na Mariz.*)

The next question I would like to take up is the question of sugar candy. It is called in Hindustani Kand or Misri. It is a concentrated form of sugar used in medicine and also in high class sweets. This has got a peculiar history. I may first mention that this trade has got three masters, and the question of serving three masters is a very difficult thing.

The three masters are the Finance Member, the Commerce Member and the Member for Industries and Labour. This candy is made out of the sugar which we import from Java, and I may say that if we have got 114 tons of ordinary sugar, we can make out of it 100 tons of this concentrated form of sugar, called Candy.

Mr. F. E. James (Madras: European): I do not want to interrupt my Honourable friend. Does this rightly come in in the discussion on the Finance Bill? This article is not mentioned there.

Dr. Ziauddin Ahmad: I will tell you the reason why I am mentioning this topic. I gave notice of an amendment on this subject, but it was ruled out of order and this is the only chance I have of placing my grievances before the Honourable the Commerce Member and I leave it to him to consider this question carefully and to do what he thinks best.

As I said, we require 114 maunds of sugar in order to make 100 maunds of candy. I have got the figures of the total consumption. The total consumption of candy in India is 131,250 tons. To make this candy we require 150 thousand tons of sugar. When we passed the Finance Bill in 1931, sugar candy was not included among the imported articles. We imported the Java sugar and the candy was made in the country from Java sugar. Now, Japan, which is very shrewd, perhaps more shrewd than my friend, Mr. Mody or Mr. Chinoy or any of the other merchants of Bombay or Calcutta, realised the weakness of our legislation of 1931. She thought that the amount of duty on ordinary sugar and this concentrated form of sugar called 'candy' is the same and she argued that if she imported sugar candy made outside India, she could sell it with profit in this country. She could evade the tariff on sugar which was high. Therefore, if Japan imports 131,215 tons of candy, she practically saves the duty on 18,750 tons and, at the rate of Rs. 9-1-0 which is the duty on sugar including a surcharge of 25 per cent, the amount comes to 32 lakhs a year. This 32 lakhs is the gift of the Government of India to Japan, because had Japan brought the sugar into this country and manufactured it into candy she would have paid 32 lakhs more to Government in the shape of customs duty than she is doing at present. Japan has, therefore, really got a gift of 32 lakhs from our Finance Department on account of their bringing sugar candy. That is one advantage which Japan has got. Over and above that Japan had a second advantage and the second advantage is that her own Home Government really gave her all financial help. They give her liberal bounty, so that the industry may be established. Then the third advantage is that she is allowed to have free use of Java sugar. Japan started the manufacture of sugar in the island of Formosa, which is really a Japanese colony. She has sugar from Java free of duty and then she has a bounty and, over and above that, a gift of 32 lakhs from our Indian Government in order to kill our candy industry in this country. With all these advantages in her favour, she is now introducing in very large quantities sugar-candy into this country, and, during the last five months, she imported 1,960 tons of sugar-candy into Bombay, 810 tons into Calcutta, 358 tons into Rangoon and 76 into Karachi, making a total of 3,224 tons. May I draw the attention of the Honourable the Finance Member once more that by introducing this quantity in the shape of candy, instead of sugar, we suffered a loss of Rs. 82,000 in customs duty . . . . .



**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. What time is the Honourable Member likely to take?

**Dr. Ziauddin Ahmad:** I will take some time, Sir.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member can resume his speech after Lunch. In the meantime, just before we adjourn for Lunch, there is one other consequential amendment that has to be moved and Mr. Mitchell will now move that.

**Mr. D. G. Mitchell:** I rise to move. Sir:

"That in the long title and preamble, the words 'further to amend the Indian Stamp Act, 1899' be omitted."

The motion was adopted.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, **Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Dr. Ziauddin Ahmad:** Sir, I was discussing the case of sugar candy and I said that it had got three masters. Now, I first appeal to my first master, the Finance Member. I would like to point out to him that for every ton of sugar candy introduced in this country, he loses 2,337-8-0. Now, during the last five months we have introduced 3,224 tons and, therefore, we have sustained a loss of Rs. 82,000. This loss is likely to go on and next year we are likely to have the maximum loss of 36 lakhs. Now, the Honourable the Finance Member may at once say that it is all very well, but after two or three years the Indian factories will begin to manufacture candy not out of the imported sugar from Java, but out of the sugar made in the country itself and, therefore, there will be no visible loss of revenue after two or three years in the manner I am preaching today. He is perfectly right and I leave my first master at this stage and I go to the second master. The second master is the Member for Labour and Industries. I appeal to him that this Indian industry employs over one lakh of people in this country and what would happen to them if the whole industry is killed. The Honourable Member will have to employ them in one shape or other. The Honourable Member will probably reply that although he is very much in sympathy with me and he would very much like to have a living for these workers, yet he cannot do very much for them and advises me to go to the third master. So, I go to the third master who is the last, but not the least important, of all. He is the Honourable the Commerce Member. I appeal to him that in this country we have got 2,173 factories of sugar candy which are distributed all over India. There are 160 factories in the Punjab, 35 in Calcutta, 100 in the mufassil towns of Bengal, 100 in Sind, and a large number in the United Provinces and Bihar. If no protection is provided, then all these 2,173 factories will be closed and there will be a definite loss to the Indian industry. From revenue point of view,

if no protection is given to the sugar candy, the net result would be a permanent loss of 36 lakhs a year to the revenues of the country and over one lakh of men will be thrown out of employment. In the case of imported candy, it is certain that it would be made out of sugar produced in foreign countries. This is just the time when we can save the situation and if we neglect it for another six months, then, I am afraid, it may be too late, and most of the factories may be closed and others may be reduced to a position when they cannot be saved altogether.

The next question that arises is, what amount of protection should be given to them. The answer to this question is based on two considerations. Firstly, it is based purely from the point of view of revenue alone; and it is a matter of calculation. Since 100 cwts. of candy is equal to 114 cwts. of sugar, therefore, for 100 cwts. of candy we charge the duty for 114 cwts. of sugar. It works up to ten rupees, eight annas, nine pies including surcharge. This may be sufficient for the purposes of revenue calculation, but it is not sufficient for the purposes of protection. For the purposes of protection, I request them to apply the formula of *ad valorem* which the Honourable the Finance Member has mentioned for the protection of sugar. The protection of sugar at present is 181 per cent. *ad valorem* and the protection of sugar candy at present is 131.25 per cent. Now, raise it to the same level, that is, 181 per cent. If you raise it to the level of 181 per cent, the amount of duty, excluding the surcharge of 25 per cent, will work up to something like Rs. 9 and a few annas, and including surcharge it should be Rs. 11-8-0 per cwt.

Now, in the end I appeal to all my three masters to give a sympathetic consideration to this matter in order to save this important industry from being ruined. It is being ruined on account of the help which the Government of India give to Japan by a gift of 36 lakhs a year and on account of the help which the Japanese Government give to their own country. In connection with the help that is given by the Japanese Government to their industries, I would like to quote from paragraph 98 of the Indian Tariff Board report on sugar industry, page 97, where they say:

"In Formosa, where in the course of a relatively short period the Japanese Government has built up a flourishing industry which now enables Japan practically to dispense with imported sugar, a policy of subsidies of various kinds was adopted. In a period of 16 years between 1902 and 1917, the Japanese Government spent 11,178,713 yen or about Rs. 1½ crores on this object. The average expenditure was thus about Rs. 9 lakhs a year giving an incidence on the 300,000 acres under cane of about Rs. 3 per acre."

Due to these subsidies which the Japanese Government granted, the sugar industry in Formosa was able to stand on its own legs, and the further subsidies from the Government of India are helping it to march quickly into our country, with the result that over 2,000 factories are being closed and over a lakh of men are being thrown out of employment. Sir, I end my appeal here.

I now take up the next topic which relates to one of the motions which I sent about the method of calculating the customs duties *ad valorem* on goods imported from countries with depreciated currencies. In this connection, I would just draw the attention of Honourable Members of the Treasury Benches to the Resolutions passed by the Punjab Chamber of Commerce. Incidentally, I may also remind the House that the textile industry approached the Honourable the Commerce Member in August last to give them protection against Japanese dumping and the duty was raised to 50 per cent. The value of yen has still gone down and if my

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LEGISLATIVE ASSEMBLY.

[28TH MARCH 1933.]

[Dr. Ziauddin Ahmad.]

Honourable friend, Mr. Mody, were here, he would have joined me in saying that the 50 per cent. protection is not good enough and we must give a little higher protection in order to save the textile industry. And, Sir, whatever is true of textile industry is also true of a large number of other factories which are equally affected by the Japanese dumping. I have got in my hand a copy of the telegram about hosiery. It says:

"Considering the serious injury inflicted on Indian hosiery by continued effect of depreciated yen exchange as explained by deputation on 26th February, my Association pray Government to include hosiery in their Bill amending Cotton Textile Protection Act, 1930, and save it from impending ruin."

Whatever applies to hosiery also applies to a large number of other industries, but unfortunately they are not sufficiently organised to have their voices heard by the Members on the Treasury Benches. Therefore, in the interest of all other industries, I request them to work out a formula by means of which they will automatically provide protection to all the industries in this country due to the depreciated value of the Japanese yen. This particular thing was discussed by the Indian Tariff Board and they also gave a certain quotation from the Australian Act, and I would very much like to have something similar in the Government of India statutes. This is the provision:

"If the Minister is satisfied, after inquiry and report by the Tariff Board, that the exchange value of the currency of the country of origin or export of any goods has depreciated, and that by reason of such depreciation goods have been, or are being, sold to an importer in Australia at prices which will be detrimental to an Australian industry, the Minister may publish a notice in the "Gazette" specifying the country as to the exchange value of the currency of which he is so satisfied, and the goods originated in or exported from that country to which, in his opinion, the provisions of this section should apply."

In this connection I would like the Treasury Benches to consider a scheme by means of which they can automatically adjust the customs duties of the articles imported from the countries having depreciated currencies. I suggested one method; I do not say that it is the best method, but it is a method to be considered; and I would request them to adopt it with any modifications which they may consider appropriate. But the important thing is that there should be an automatic adjustment so that the deputation of my friend, Mr. Mody, may not have to wait on the Commerce Member after every three months. I would also like that the smaller cottage industries which are not well organised and are not vocal may not be left out of consideration altogether. Therefore, in the interest of both, I would request that some kind of formula should be invented and we should have an enactment by means of which the import duty should be automatically increased in the case of goods coming from the countries with depreciated currencies. I suggested a very simple formula, that is, instead of converting the value in terms of the current rate of exchange, you should announce in the Government Gazette a standard rate of exchange, i.e., Rs. 140 or Rs. 150 for hundred yens, and then *ad valorem* values ought to be charged according to the standard rate of exchange. In a case where the customs duty is charged by weight and not *ad valorem*, they should have a simple formula by means of which the weight should be increased in the ratio of the standard value of the currency to the depreciated value of the currency. That is, if the exchange value has diminished to half, then the customs duty on one ton or one

yard, should be equivalent to the duties on two tons or two yards, and so the customs duty will automatically be doubled. I do not press the Treasury Benches to accept this formula or that formula, but I do certainly request them to think out a proposal when they are discussing the question of dumping, by means of which not only the industries which are vocal are protected, but industries which are not vocal and which are really cottage industries in which smaller people are interested may equally be protected.

Sir, the next question that I will take up is "education". I was discussing it last time, but, as I was very anxious to hear the Message of His Excellency the Viceroy, I cut short my speech. I will just draw attention to only two or three points, because I have to finish my speech before 3 P.M., under the orders of my colleagues. I will finish within that time though originally I intended to experiment as to the time which I can take up in a speech. I said last time that in education as well as in all social customs we have tried to imitate those things which are not good in the British system of education and British culture and we have assiduously omitted those things which are really good; and I pointed out the case of polytechnics and public schools. Now, I will press that point further for a few minutes. I say that here in India everything is radically wrong. Our method of instruction is wrong; our programme is wrong; our courses of instruction are wrong. Every thing is wrong and we require a revolution corresponding to the French Revolution or a Mussolini to change the whole system of education. I give two illustrations on method of teaching a subject. I learnt some geography in school and my teacher asked me to learn the then 21 districts of Madras so as to be able to repeat them in one breath. I did so and I can do it still. But, of what earthly use is it to me? But there is some use. I once had some drinks for reciting these 22 districts of Madras. (An Honourable Member: "What drinks did you get?") An Honourable friend asks me what drink did I get. I do not reply, because that drink is still in arrears. This is the method of teaching geography in India. You go to a European country and see how geography is taught there. A student is asked to prepare his tour programme or his trade programme. Suppose a boy had Rs. 100 and 14 days' holiday. He is required to work out his programme as regards the places he will visit, the trains by which he will travel, the hotels he would stay in, etc., and thus he learns his geography. In another problem he is required to interest himself in the trade of a particular commodity. He learns where it can be found and where it can be sold, and so on. So the method of instruction in English schools is very different from the method which we are now adopting here, that is, learning by heart and repeating in one breath.

I come to the second illustration which relates to the teaching of agriculture. We have got a big volume of the Agricultural Commission's report and all the Hartog Commission's report. And we are still discussing whether agriculture should or should not be taught in our primary schools; and the Hartog Committee said that "in the primary schools we should teach only the three R's and no humbug". Coming to the English side, I myself saw schools in Kent where they had a system of farming and administered according to company methods. The students who were small boys had a company of their own. Articles of administration were drawn up exactly in legal phraseology. They had brokers, shares were sold, brokerage was charged, and dividend was declared, and the

[Dr. Ziauddin Ahmad.]

whole business was carried on in the same way as is done in stock exchange or in the office of the Managing Directors of Companies. Thus small boys of 12, 13 and 14 knew everything about Company administration, and knew everything about stock exchange and so on. And so far as we are concerned, we are still discussing whether agriculture should or should not be taught in our schools. I went into that school carefully and I found that in one *bigha*, which is  $\frac{1}{4}$ th of an acre, they gave a profit of £5. That was really a profit which was declared and it was really a very good profit. So that when we compare the two systems, we find that our method of instruction is materially different from the system in the United Kingdom. Therefore, I say that first you have to change the entire method of instruction. The literary course of study we are now adopting does not suit any country, and far less does it suit our own country. Our system really makes a man fit only for service and not as intelligent clerk, but as an unintelligent clerk. I repeat the word "unintelligent", because some merchants in Calcutta, during their evidence before the Calcutta University Commission, told me that they would rather have a Matriculation failed than a Matriculation passed candidate. On being further questioned, they said that the Matriculation passed candidate has less common sense in him than the Matriculation failed. That shows that the system of education is turning out a kind of clerks and, I say, unintelligent clerks, because by taking these degrees they become less qualified for the work which they were expected to do. These diploma holders are ashamed to do ploughing in the fields and other kinds of manual labour. Everybody should try to make his way up by hard labour, but really, after passing the examinations, people think that it is not good at all to do manual labour and that is the principal defect in our system of education.

Then comes the system of examination, which is defective. The other day Mr. Mody, replying to the Honourable the Finance Member, said that he was quite willing to examine him on the Banking Enquiry Committee, but unfortunately he did not himself read it. I think it is a qualification for an examiner not to know the subject. They only set questions from the list of contents. If they find a difficult word, they at once say "All right, write an essay on this". What happens to the candidates God alone knows. No one is allowed to re-examine the answer books.

Now, about the time that is taken in declaring the results. The result is declared in the Universities within three months of examination. I thought that the Public Services Commission would be an ideal body of examiners and they would teach a lesson to the Universities. They held certain examinations in November, and five months now have passed away and they are still contemplating over it. There should be some time limit and it should be imposed by the Home Department.

Sir, I have published a book on "Systems of Examinations" in which I have proved that our system of examinations is such that no justice is done to the candidates if marks are allotted by drawing lots.

Certain men are appointed as examiners and no check of any kind is provided to scrutinise the marking. They may do whatever they please. Therefore, Sir, if you really want to remove the unemployment of this country, then give up everything else and take up the only one topic, that is, your system of education. Reform the system of education and

change the ideal today and there will be no further unemployment tomorrow. I wish I had time to deal with this whole system of education in an exhaustive manner, but, as the time given to me is getting short, I would finish this topic of education and would probably take it up when an opportunity arises.

The next thing that I should very much like to take up is the question of the Statutory Board of Railways and other matters connected with it. I will take it up in the discussion of the White Paper. I just end by emphasising the point with which I began that if India is permitted to export her gold, then it ought to be spent only in two ways, either in paying off our loans or in increasing our gold reserve. Every other expenditure is an unhealthy expenditure, because it is an invisible and unproductive expenditure. If money acquired by the Government of India on account of the sale of gold is spent to meet current expenditure, I would at once press for "putting an embargo on gold", so that our gold may remain within the country. If a rich country like America is compelled to put an embargo on gold, how can it be justifiable in the case of a poor country like India?

**Mr. S. C. Mitra:** Sir, I shall take only two minutes, because all the subjects have been exhaustively discussed by my friend, Dr. Ziauddin Ahmad. I support him in his views about the exodus of gold. I support him in his views about the excise duty on hides and skins. I also support him about protection for hosiery; and I have my own views with regard to the import duty on petroleum, but there I would only refer the Honourable the Finance Member to the speech of Sir George Rainy reported in volume III of the Legislative Assembly Debates for 1930, page 2139, and I think he can get some money by raising the excise duty on kerosene because I think this amount goes to the pocket of the Burma Petroleum manufacturers. I say that in Bengal we are having deficit budget of two crores and more each year and if the Federation Scheme takes two or three years more to come, I hope the Honourable Sir George Schuster will please see that some portion of the amount derived from the export duty on jute may be made over to Bengal. With these words, Sir, I close my remarks.

**Rai Bahadur Lala Brij Kishore** (Lucknow Division: Non-Muhammadan Rural): Sir, Before the Finance Bill is passed into law, I would like to bring to the kind notice of the Government, how their policy is affecting the industrialists and the agriculturists of India adversely. The income-tax and super-tax which were already high have further been saddled with 25 per cent. surcharge by the Supplementary Finance Act of 1931. The net result is that the capitalist has become shy as the income on capital invested in industries is largely being exhausted in payment of those heavy taxes and the consequential result is that the industrial development of the country has been greatly hampered. Many items of necessary business expenditures are not allowed to be set off against losses incurred in the previous years. Then there is the maintenance of the families of the assessee for which no allowance is now made and in the loss years the assessee are obliged to maintain their costly business establishments not from income, but out of their capital. Here I think it would not be out of place to draw the attention of the Honourable Members of this House to an extremely grave situation noticeable during the last few years in the

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[Rai Bahadur Lala Brij Kishore.]

economic life of the country. The surcharge has also affected very adversely the poor Indian masses who were already over-burdened with heavy taxes in so far that the surcharges on import duties have raised the prices of their necessities and the consumers as a class are very hard hit. Then, Sir, our Government ought to do something to put a stop to the heavy drainage of gold out of India which is impoverishing the country so much that probably in a year or so there will be no gold in India and consequently it will have an adverse effect on the establishment of the proposed Reserve Bank on which depends the whole of the future Constitution and will also have an adverse effect on the agriculturists.

Sir, all are agreed that the agriculturist is the worst sufferer in the country and that everything possible should be done to help him out of his difficult position. And as we have realised only too well by the experience of the past few years, it cannot be disputed that on the agricultural prosperity of the country depend all our other prosperities. Who can deny now that, without agricultural prosperity neither could industry flourish nor could workers have enough of employment and good wages? In short, the very prosperity of the country in all walks of life depends on the prosperity of its agriculture. That of course naturally depends on the level of prices procurable for our primary agricultural products. The Government ought to know at least by this time the real cause of this agricultural depression and its only remedy.

Sir, the raising of the postal rates has not given the Government the expected revenue as, owing to the higher postal rates, the poor masses have practically given up using postcards unless they are forced by circumstances to use one. May I ask, Sir, what is the net result of these increased rates and what object has been achieved. The main purpose of all these increased rates is to meet the heavy expenses incurred in carrying on the top heavy administration. I would appeal to Government once more to seriously consider the ways and means by which they can possibly reduce expenditure on administration so that they can reduce the taxes generally and specially the surcharges before any further relief is given to the services by way of further restoration of salary cuts.

**Mr. A. H. Ghuznavi** (Dacca *cum* Mymensingh: Muhammadan Rural): Mr. President, my Honourable friend, Mr. Mitra, the other day pointed out that it is very difficult for us. Members of this House, to study this voluminous Budget as we do not get any time at all. I am not referring to the Finance Bill merely, but I am referring to the time when we were asked to open our general discussion on the Budget: we had no time and that is the point I have been trying to make out.

Sir, the Budget was introduced on the 28th February in the evening: we had a meeting of the Legislative Assembly on the 1st of March discussing other matters and on the 2nd March we were asked to start the general discussion. Where was the time allowed to us to study these voluminous documents and the mass of intricate figures and questions contained in them? What I want to point out is, Sir, that during your regime as President you will see that we get a little time between the presentation of the Budget and the day we are asked to start the general discussion.

Turning now to the second point which I shall try to make out; it is about the export duty on jute. I agree with my Honourable friend, Dr. Ziauddin Ahmad, when he said the other day that all export duties were unhealthy and ought to be removed; but his statement regarding jute export duty,—that on account of the jute export duty the world was trying to find out some substitute for jute,—is not correct. The export duty on jute is very trifling. The duty on a 400 lb. bale of jute is only one rupee and four annas; and the price of a bale of 400 lbs. even at this time of the world wide depression is about Rs. 27. The real price of jute varies between 40 and 50 rupees and at times it even goes up to 60 or 70 rupees. Export duty is levied on jute per bale and it has no bearing on the price. Jute is the monopoly of Bengal and she provides the requirements of the whole world. Being a monopoly of Bengal, its price could be raised when the demand exceeded the supply, and hence the world seeks for a substitute which they have not yet been able to find. But that is not my point. My point is this: that the jute export duty is the finance of Bengal, and the Government of India have been robbing us of our money since 1916. It is our legitimate revenue which we want. The export duty on jute was levied first in the year 1916: it was purely a war measure, but it has been continued up to date in the teeth of opposition from Bengal; and what is the position? The Government of India have received from us from this jute duty to the tune of Rs. 50 crores during the last seventeen years; and they have reduced Bengal to the position of a deficit province. If the reforms have failed in Bengal, if they have not led to contentment, a very large measure of that blame must be by common consent laid at the door of the iniquitous financial settlement. Even now, in this very Budget we do not see that we shall get back any of this jute duty which the Government of India are robbing us of. Bengal must be bled for adjusting the Central Budget. She must be bled for the benefit of Bombay, for the benefit of the Punjab and now for the benefit of the Madras tanners. (An Honourable Member: "Question.")

The next point that I desire to make out is this: the disappearance of gold from this country has been causing consternation in the minds of people all over India. Every Member of this House spoke condemning Government of sitting idle while gold was rapidly flying from India. The only exception, if I may say so, was my Honourable friend, Sir Cowasji Jehangir. Member after Member has asked Government to take steps to put an embargo or even a duty on the export of gold and stop this drainage. My Honourable friend, the Finance Member, says he is unable to interfere with the export of gold and that he hesitates to take any steps which would restrict the right of individuals to do as he pleases with his own possessions. Indeed so, because it suits my Honourable friend, and it also suits my Honourable friend, Sir Cowasji Jehangir. This gold was exported not for the benefit of India, but in the interests of England and what is the position today? Rs. 117,97,93,000 worth of gold has been exported till the 24th of March: by the time we close this Assembly on the 12th April, probably this figure will go up to 200 crores. I cannot do better than quote a few passages from the speech of my Honourable friend from Burma. My friend the other day said:

"I thoroughly disagree with Sir Cowasji Jehangir on the question of the export of gold, which also means that I profoundly disagree with my Honourable friend, the Finance Member also."

[Mr. A. H. Gluznavi.]

Then, proceeding further, my friend says:

"If you regard gold as a mere commodity, if you regard this stream of gold going out of India, the Honourable the Finance Member's views may be correct. If on the other hand, you regard gold as something precious, something that has got to be hoarded, something that should not be parted with if you can possibly help it, then you must disagree with the Honourable the Finance Member. It depends, Sir, on how you look at it. My honourable friend, so far as I am able to follow him, wants us to regard gold just as goods. Now, is it reasonable, Sir? Is that wise, Sir? What does gold represent to us? What does the average person do—I am talking of the masses—what does the average poor person do if he can save a little money? He turns it into gold, and usually for two reasons. He wants gold ornaments for his wife and children or for himself. I have seen men with gold ear-rings not in my own country but over here. That is one reason, buying gold in the nature of jewellery. But is that the only reason why the poor man wants to buy gold? No. The second and probably the more important reason is this: what a comfortable bank balance is to a business man, what a comfortable margin is to a man dealing in stocks and shares, and what a reasonable expectation of wealth is to a person who is a member of a wealthy family, all these things are to the upper classes what gold is to the lower classes—to be used as capital if necessary and to be hoarded up as something precious, something that must be kept against a rainy day. That is my submission to you, Sir."

My friend has made out a case that the fast disappearance of gold from India is regarded by every Indian with dread and horror. If you do not put even a duty against the export of gold, I am sure, India will soon find that she has no gold left at all in the country. Sir, if I had been on the Opposition Benches today, I would have opposed the Finance Bill and thrown it out as a protest against the wrong manner in which gold is being exported.

**The Honourable Sir George Schuster:** Sir, I am sure that we are all somewhat weary of this discussion on the Finance Bill, and as I myself find it difficult to state in any clearer or more convincing way the case on which our whole proposals are based than the way in which that case was stated in my original Budget Speech, I do not propose to weary the House with any long exposition of my views on the position.

I feel, Sir, in the first place that I must express gratitude to the House for the reasonable way in which they have discussed the whole position. The majority of the House has succeeded in reducing the provision which we sought to make by a sum of about 17 lakhs. We cannot argue that that is a decisive sum in the present position. I regret its loss, because I feel that our margin is, even if we had all that we asked for, an inadequate one to cover the risks which lie before us, but if the general feeling of the House is that we asked too much or that the burden on the particular class as affected by their amendment was too heavy, then that is a view which lies within the limits of what we think possible, and, therefore, we accept the House's view on that matter. I trust that Honourable Members are right and that I am wrong. I trust they are right in such optimism as underlies their action and that we shall find that we have a margin to play with at the end of the year. But, Sir, the situation must be very carefully watched. We are not yet out of the wood. We do not know how the course of world affairs is going to go in the next 12 months. It is our duty, taking that view as to the risks that lie before us, to ask for the provision which we consider necessary, and, in order to establish our case, it is our duty to state the risks. But having done that, and having put my case before the House, and having got a majority of the House to support practically the whole of it, I feel that I can turn from a

somewhat dreary and unpleasant task and allow my own hopes and my own optimism to flourish, and, Sir, in those hopes and in that optimism I shall look forward to the new year, always, however, remembering the risks which still remain and not relaxing my own attention to the position.

Sir, my friend, Dr. Ziauddin Ahmad, made a very lengthy and a very interesting speech. He told us that in his view we had enunciated a new theory, that whereas in previous political theories there had been different views as to the ultimate beneficiaries for whom every Government should care, we had now enunciated a theory that Government must be carried on for the benefit of the services. Sir, I think my friend was unfair in his statement on that point, and I would, before finally closing this debate, like to remind the House of the fact that out of this proposal for restoration of part of the cut in pay to Government officials, the vast majority of the benefit does go to the poorest classes of Government officials. I reminded the House at the outset of the whole discussion that the net benefit to those on higher rates of pay was on an average barely over one per cent. and that to the lower categories the benefits went up to something like 3½ per cent., and I would remind the House that in the case of a big department like the Posts and Telegraphs, that out of the total pay bill, whereas the pay of officials from Rs. 30 to Rs. 500 per month is nearly 6½ crores, the pay of those who are earning more than Rs. 1,500 per month is only 6½ lakhs. That, Sir, I think, gives a fair idea of where the benefit comes, and applying certain rough percentages in the case of Posts and Telegraphs, the total value of the portion of the cut which is being restored amounts for officials on salaries between Rs. 30 and Rs. 500 per month to 22½ lakhs and to the higher class of officials on salaries of Rs. 1,500 and over, to something like Rs. 8,600 per annum. Those are figures which have been worked out and they give roughly what is really the position. Now, Sir, my Honourable friend, Dr. Ziauddin Ahmad, spoke of our new theory of the duties of Government. I think my Honourable friend himself has advanced a new theory of the duties of the Finance Member, for in his view the Finance Member must not only be able to deal with difficulties that confront an ordinary man, but he must have the powers of an omnipotent Providence and be able to control stars in their courses, he must be able to convert, by some process of alchemy, the secret of which perhaps my Honourable friend possesses, the stores of silver into gold and by other magical tricks reduce the rate of interest on Government loans and put an end to the world depression. Sir, I am afraid that if this House expect powers of that kind in their Finance Member, they must ask my Honourable friend to walk across the floor of this House and take his seat here. (Laughter.)

There is just one little point that I would like to call his attention to, and that is when he spoke of the duty of this Government to follow the example of the British Government in reducing the rate of interest on Government securities. He forgot, I think, that the British Government was in this very special position that the one big loan which they had outstanding, the five per cent War Loan, was due for repayment by them or rather was open to repayment by them at any date between 1929 and 1947. Therefore, the British Government could go to those holders and say "Either you take the cash or you take some other securities in its place". We, Sir, are not in that position. We have, as a matter of fact, already converted with great benefit to the country all those loans which we had an immediate right to repay, and if we can take any further steps



[Sir George Schuster.]

in that direction, it is only by making offers to people who hold loans which are due to mature in the next year or two—by offering them something which makes it worth their while to come in and hand their securities in conversion, but we have not the power to command them in the sense that the British Government had for their £2,000 millions of War Loan. I believe that there are great opportunities still before us to follow in the lines that my Honourable friend suggested, and I would remind the House that in the four weeks which have elapsed since I first introduced my Budget proposals when I made an optimistic forecast of the probable course of Government securities—I would remind the House that my forecast has been fully justified and that we have seen further substantial rises in the prices of Government securities. At that time four per cent 1960-70 loan stood at about 93. According to the latest quotation, yesterday it stood somewhere over 98, and so on. There have been corresponding rises in all the other Government securities, and those who took advantage of our conversion scheme can now congratulate themselves that they did a very good stroke of business, and those who failed to take advantage of it will realise that the words which I spoke were correct and that they would live to curse themselves for not having taken advantage of a very good opportunity. I have every hope that if things continue to improve in that direction, in the coming year we shall be able to take further steps by way of conversion offers to reduce the burden of interest on Government loans.

I think it unnecessary for me to deal in detail with the arguments which have been advanced as regards the export of gold. The best answer that I can give to those Honourable gentlemen who have spoken on the matter is to ask them to read again the exposition of the circumstances in which we are allowing the export of gold to continue which I gave in my Budget Speech. My Honourable friend, Mr. Ghuznavi, said that every one practically who has spoken has criticised the Government's policy in this matter. But I would like to retort on him that no single Member has answered the questions which I put to them, and I have not yet heard that any one here supports the measures which I said would be necessary for Government to take if we were to put an embargo on the export of gold. I do appeal to Honourable Members to consider this question without prejudice and to try and think out for themselves the issues which are involved and the practical results which would follow if we were to give way to the general feeling which has been expressed. It is a case which has to be considered on its merits, and a case in which any sort of prejudice is very greatly to be deprecated.

That, Sir, I think, is all that I need say on the matter. I have been told several times in the course of this discussion that if I would only agree to certain reductions of taxation, I should earn great popularity. It is not the business, I am afraid, of the Finance Member to seek popularity. Perhaps at the end of a very long and trying period of discussions I might close on a lighter note by repeating a story which was told me at the Garden Party yesterday. An old friend of mine asked me whether I had heard the latest story about myself, and I said no. He said: "I hope you won't be offended if I repeat it to you. I was seeing a friend of mine who had a very nice dog. I had not seen him for some time and when I saw him again after several months I found the dog was looking extremely miserable with its tail between its legs and a general

hang-dog air about it. I asked: 'What on earth have you been doing to that unfortunate dog of yours?' He said: 'Poor brute. He is very miserable, for everybody else has been kicking him lately.' I said: 'Why kicking him?' 'Well,' was the answer 'you see unfortunately the animal's name is Jester, and everybody mistakes it for Schuster'." (Laughter.) Well, Sir, I must say I am glad that I am not in the position of that dog, and I must conclude with an expression of thanks to all Honourable Members who, although they may feel sorely the weight of the burden which we have put upon them, have nevertheless throughout treated me personally with the greatest possible courtesy. (Loud Applause.)

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix minimum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923, as amended, be passed."

The motion was adopted.

#### DEMANDS FOR SUPPLEMENTARY GRANTS.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now take up the Demands for Supplementary Grants.

#### CUSTOMS.

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

"That a supplementary sum not exceeding Rs. 54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Customs'."

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): I rise to oppose this in order to bring to the notice of Government the neglect they are showing towards the film industry.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Chair would remind Honourable Members that in discussions of Demands for Supplementary Grants the general principles cannot be discussed, but only the financial merits of the particular items relating to the grant.

**Mr. B. V. Jadhav**: Then I have no remarks to offer.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Customs'."

The motion was adopted.



## OPIUM.

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

"That a supplementary sum not exceeding Rs. 13,79,000 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 'Opium'."

The motion was adopted.

## FOREST.

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

"That a supplementary sum not exceeding Rs. 19,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Forest'."

The motion was adopted.

## IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS.

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

"That a supplementary sum not exceeding Rs. 1,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Irrigation, Navigation, Embankment and Drainage Works'."

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa. Muhammadan): This demand is for Rs. 1,39,000. On page 5 of the Supplementary Demands for Grants, we find there are three items: Baluchistan Rs. 17,000, United Provinces 1,16,900 and Punjab 6,000. When I turn to page 6 in the note, I find that these are required to meet the claim of the Governments of the United Provinces and the Punjab on account of the proportionate share of pensionary charges debitable to the Central Government in respect of officers of the Irrigation Department for service rendered by them prior to the 1st April, 1921. I cannot understand why for 12 years this amount was not paid to them and why this amount is paid now. I want to know the reason.

**The Honourable Sir George Schuster:** The point is that the claim is in respect of service prior to April 1st, 1921, but the claim may not necessarily arise until a much later date. It is a claim to pay a contribution towards pensionary charges and leave charges of certain officers in respect of service which was carried out before the 1st April, 1921, but the claim for the pension may not arise until many years later. As a matter of fact, this represents, I believe, almost a final adjustment of the item under this head. It has taken a long time to clear up the position with the Provincial Governments. The matter has been before the Standing Finance Committee several times and I believe this particular item represents pretty well the final adjustment of the item.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 1,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Irrigation, Navigation, Embankment and Drainage Works'."

The motion was adopted.

## INTEREST ON ORDINARY DEBT AND REDUCTION OR AVOIDANCE OF DEBT.

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

"That a supplementary sum not exceeding Rs. 28,90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Interest on Ordinary Debt and Reduction or Avoidance of Debt'."

The motion was adopted.

## INTEREST ON MISCELLANEOUS OBLIGATIONS.

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

"That a supplementary sum not exceeding Rs. 1,37,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Interest on Miscellaneous Obligations'."

The motion was adopted.

## STAFF, HOUSEHOLD AND ALLOWANCES OF THE GOVERNOR GENERAL.

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

"That a supplementary sum not exceeding Rs. 46,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Staff, Household and Allowances of the Governor General'."

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I should like to know why there was an excess of Rs. 27,000 on postage and telegrams under this head, though the grant was only for Rs. 40,000. I know that in the new Constitution this demand will not come before the Assembly in future, because it deals with the staff, household and allowances of the Governor General. That is all the more reason why we should for the last time see how this amount is made up. Under note (b), I find that this is required to meet certain unforeseen debits on account of customs duty, insurance, packing and wharfage, landing and freight charges on articles of vertu purchased in 1930-31. What are these articles and why are we paying for this in 1933? I like to have some information on these points before we vote this supplementary grant.

**The Honourable Sir George Schuster:** These matters, as the House will appreciate, have been very carefully examined in the Standing Finance Committee. As regards the extra charge on postage and telegrams, I think

[Sir George Schuster.]

the real reason is that there has been, as Honourable Members must appreciate, an abnormal exchange of telegrams going on recently between the Secretary of State and H. E. the Governor General in connection with constitutional discussions, and a large proportion of those telegrams has taken the form of private and personal telegrams which are sent from the Governor General's office and not in the ordinary way through the Foreign and Political Department. Under both heads really the expenditure on telegrams at present is abnormally heavy, and I think Honourable Members will appreciate that when these constitutional discussions are nearing their end, and it is necessary for consultation quickly to pass between the Government of India and the Secretary of State, very long telegrams have to be sent. As regards the second item, that I thought was fairly and clearly explained in the reports of the Standing Finance Committee's proceedings. The Committee had agreed to incur an expenditure of a sum of about a lakh on the purchase of certain pictures and other articles necessary for the furnishing of the Viceroy's House. When the accounts were made up, apparently no adequate estimate had been made of the cost of packing and insurance and a number of incidental charges, and when these charges came to hand, there was no provision left over in the original grant so that the present Military Secretary to the Governor General had to apply for a supplementary grant. There was no option except to meet those charges.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 46,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Staff, Household and Allowances of the Governor General'."

The motion was adopted.

#### COUNCIL OF STATE.

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

"That a supplementary sum not exceeding Rs. 40,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of the 'Council of State'."

The motion was adopted.

#### LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

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

"That a supplementary sum not exceeding Rs. 1,20,000 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 the 'Legislative Assembly and Legislative Assembly Department'."

**Mr. M. Maswood Ahmad:** Sir, will the Honourable Member please inform us what amount is included in this "haulage of motor cars", and how much again of that appertains to officials and how much to non-officials?

**The Honourable Sir George Schuster:** I am afraid I must ask for notice of that question. If my Honourable friend will put a question down, I will see that he gets a proper answer.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 1,20,000 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 the 'Legislative Assembly and Legislative Assembly Department'."

The motion was adopted.

#### PUBLIC SERVICE COMMISSION.

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

"That a supplementary sum not exceeding Rs. 10,000 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 'Public Service Commission'."

The motion was adopted.

#### ADMINISTRATION OF JUSTICE.

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

"That a supplementary sum not exceeding Rs. 7,000 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 'Administration of Justice'."

The motion was adopted.

#### POLICE.

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

"That a supplementary sum not exceeding Rs. 12,000 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 'Police'."

The motion was adopted.

#### SURVEY OF INDIA.

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

"That a supplementary sum not exceeding Rs. 1,00,000 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 'Survey of India'."

The motion was adopted.

#### METEOROLOGY.

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

"That a supplementary sum not exceeding Rs. 2,59,000 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 'Meteorology'."

The motion was adopted.

## GEOLOGICAL SURVEY.

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

"That a supplementary sum not exceeding Rs. 4,000 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 'Geological Survey'."

The motion was adopted.

## MINES.

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

"That a supplementary sum not exceeding Rs. 2,000 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 'Mines'."

The motion was adopted.

## AGRICULTURE.

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

"That a supplementary sum not exceeding Rs. 3,63,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Agriculture'."

The motion was adopted.

## IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

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

"That a supplementary sum not exceeding Rs. 4,96,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Imperial Council of Agricultural Research Department'."

**Mr. M. Maswood Ahmad:** In this connection I want to say that out of this sum of Rs. 4,96,000 some amount should be spent over research of diseases in Bihar. Some diseases in Bihar are very common in the crops of paddy, especially in my part of the country and I want to draw the attention of the Government to that effect. Another point to which I would like to draw the attention of the Government is that they must spend some money for research for getting good manures for paddy. Now-a-days, good manure is not available.

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): I rise, Sir, on a point of order. The Honourable Member . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member (Mr. M. Maswood Ahmad) has finished.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Sir, I am raising no point of order, but I am raising an objection to this grant to the Imperial Council of Agricultural Research Department. The Agricultural Research Council has got no proper policy to spend this money and I

entirely agree with my Honourable friend, Mr. Maswood Ahmad, that a certain sum should be spent in Bihar and Orissa. I should also like to say that before the Research Council is given any money, it should distribute it on provincial and territorial basis. I find all the money that the Research Council gets is spent in Bombay, the United Provinces and Madras.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): Not in Madras.

**Mr. B. Das:** Money is spent on Coimbatore which is, Sir, your home and where ex-President Mr. Patel was put in jail. That's all I know of Coimbatore. So, the Research Council should not receive the money until they have a proper defined policy. At present the United Provinces get most of the money and in Bombay they spend all the money they can get on Manjri farm and Indian Cotton Research Association.

**Mr. B. V. Jadhav:** May I correct my Honourable friend by saying that Manjri farm is financed entirely by the Bombay Government.

**Mr. B. Das:** But Bombay has produced half a dozen or more schemes, because the Sugar Committee is composed mostly of Bombay people.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Why don't you come and live in Bombay?

**Mr. B. Das:** The Research Council must spend some money in the interest of the teeming millions of agriculturists the object for which it was started and it must look into the interests of the poorer territories like Orissa, Assam and Bengal. Sir, they spend money on sugar research and cane breeding, in the United Provinces only. May I know how does it help Bengal or Orissa or Assam where the climatic conditions are quite different and the climate is wet and humid. What special research are being made for wet land system of cultivation of Orissa or Bengal? None. I earnestly urge that the Government should lay down a definite policy and should not allow the President of the Imperial Research Council to be browbeaten by the vested interests of Bombay, United Provinces and Madras.

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhammadan): Sir, I do not agree with my Honourable friend, Mr. B. Das, when he is trying to run down the Imperial Council of Agricultural Research.

**Mr. B. Das:** You say so, because Bihar has got its own share of money.

**Mr. Gaya Prasad Singh:** My Honourable friend forgets that at present he is also a member of the province of Bihar and Orissa.

**Mr. B. Das:** Orissa has not got a pie so far. Orissa's climate is so different from Bihar.

**Mr. Gaya Prasad Singh:** My Honourable friend has been reiterating his insinuation that this Department is run in the vested interests of the Bombay Presidency. My friend has got a sort of prejudice against

[Mr. Gaya Prasad Singh.]

Bombay. It would have been fairer on his part if he had mentioned definitely how these vested interests come to play in this matter at all. My Honourable friend has been making a speech, and has been casting insinuations over various provinces. He must have patience and give a chance to other people also. This point was looked into carefully by the Standing Finance Committee of which I was also a member at that time. I am not a member of this Committee now. We went carefully into the matter. I quite agree with my Honourable friend, Mr. Maswood Ahmad, when he says that a part of this money, if it can be done, should be spent in the matter of improving paddy cultivation in Bihar, and other parts of the country. But so far as the general scheme is concerned, I quite agree that this sum of money is needed for the improvement of agricultural research. Take, for instance, sugarcane cultivation in Coimbatore which has been carried on under the ægis of this Department. It has proved very successful, and samples of that sugarcane have been given to other parts of the country including Bihar and Orissa and other provinces. In any case, this Department has been doing very good work and this money is very much needed in spite of the financial stringency to which we are all subject. Although the activities of other Departments have been curtailed, I submit that this is a very useful way of spending the money for the development of the agricultural resources of the country, and this House will be ill-advised to refuse sanction of this grant. The money is utilized, as I understand, in scientific research work and not in Provincial distribution. I support the motion.

**Mr. S. C. Mitra:** Sir, I entirely agree with my Honourable friend, Mr. Das, that some of the provinces are not getting their proper share in the distribution of money. I do not like to apportion the blame between the Imperial Council of Research or to the weakness of the Ministers who represent the provinces. But, I know this that, though in Bengal large quantity of sugarcane is grown—the acreage in Bengal is ten times that of Bombay—there is no research bureau there, to make any experiment. As my Honourable friend, Mr. B. Das, has remarked, the soil in Bengal is different from the soil in the United Provinces or in Madras. Certainly Bengal can claim a share of this money from the Central Research Council for some research work in Bengal. I agree with Mr. Das that there should be some policy for the distribution of the money in which all the provinces may get some proper share. I know that to the Central Treasury, Bengal contributes a much larger sum than any other province, but with regard to services and other matters she is not getting her proper share. So, I hope the Imperial Research Council will consider whether they should not allot some money for research work on sugarcane in Bengal. Bengal produces a large quantity of sugarcane and there is great scope for improvement.

**Mr. B. V. Jadhav:** Sir, I regret to observe that my Honourable friends, Mr. B. Das and Mr. S. C. Mitra, have given expression to their jealousy of Bombay.

**Mr. S. C. Mitra:** We are not jealous of Bombay; we should like to have our share.

**Mr. B. V. Jadhav:** I may point out that my Honourable friends have entirely mistaken the sphere of the work of the Imperial Council of Agricultural Research. Research is not a provincial subject and it cannot be circumscribed by the limits of a province. Research is inter-provincial; that is, it ought to extend to India as a whole, and the principle on which the Imperial Council of Agricultural Research works is that such researches are encouraged as will be useful to more than one province. The money cannot be distributed according to provinces, because it will be absurd that a share of the research should be performed by one province and another share by another province.

**Mr. S. C. Mitra:** Why not have one institute for the whole world and have the best results from there?

**Mr. B. V. Jadhav:** When our vision will expand in that way and we are able to look upon the whole world as one family, then of course the idea suggested by my Honourable friend may be brought into operation. But, at the same time, I may bring to his notice that there is such an institution at Rome and although they are not making researches, at all events, they are compiling statistics and so on for the use of the whole world. As a matter of fact, Bombay does not get its proper share, but Bombay never asks for its proper share. The Imperial Council of Agricultural Research asks for schemes and the Advisory Council goes into those schemes and examines them and if it decides that a particular province would be more suitable to make the research in a particular scheme, then that province is entrusted with that work. But, at the same time, as was explained the other day, care is taken that no share of this expenditure is allowed to be expended by any province on such matters as were paid for from their own revenues. So a part of the grant made to a province for research work is to be spent on research alone and, therefore, my Honourable friends have not got any grievance to say that a particular province should get a bigger share than others. Sir, I support the demand.

**Diwan Bahadur A. Ramaswami Mudaliar:** Sir, I am afraid that there is a great deal of misapprehension over the whole question. I thought the scheme which was promoted the other day by the Honourable Member in charge of this Department to educate the Members of the Central Legislature would have had a more beneficial effect than seems to have resulted after a two days of lecturing and discussion. I understand that the Imperial Council of Agricultural Research calls for schemes from various provinces.

The Provincial Governments are addressed in the first instance, the Universities in all the provinces are addressed in the second place, then private institutions which are in a position to conduct research are also addressed. All these bodies are told to submit schemes to the Imperial Council of Agricultural Research. An expert body goes into the schemes, selects those which are most necessary and urgent and which will be most advantageous for the circumstances of the country as a whole, and the grants are made on the basis not of Bombay or of Madras or of Bengal, but on the basis of the schemes which have been proved as being urgent and necessary and in the best interests of the country. I do not see how, in those circumstances, the question of allotment to this province or that province can arise. What is my Honourable friend, Mr. Das,

[Diwan Bahadur A. Ramaswami Mudaliar.]

going to do if Rs. 40,000 is sent immediately to Cuttack? Where is the research institute and where are the people who are going to conduct the research and where is the University or society who will take up this question? It seems to me that we are entirely outside the real purpose of this grant when we are discussing it on the basis of the provinces. I may say, Sir, that my own province has been very much laggard in this respect. For many years the Madras Government did not put up sufficient schemes and it was only when the Provincial Councils took an interest in the matter and made the Minister in charge move in the direction that some schemes have come up within the last few years before the Imperial Council of Agricultural Research. What should be done in the various provinces is to stimulate interest in the department in these provinces so that they may have their thoughts concentrated on this subject of research and not merely carry on the routine administration of agriculture. If that is done, perhaps there will be better results and more money will come to those provinces which are now suggesting that they have not got enough money.

**Sir Cowasji Jehangir:** Sir, I think we ought to have some sympathy with our friend, Mr. Das. Unfortunately he put his case rather badly. What he meant to say was that research was carried out for all parts of India, but unfortunately his province of Orissa had not the capacity to take advantage of the investigations made. And, therefore, what he demanded was that the research institute should give him and his province greater capacity. It is a legitimate complaint to make, but unfortunately none of us can remedy it. If that is the case with Orissa, if they cannot take advantage of the investigations and opportunities or if they have not got the capacity to do so, we regret it and we condole with him, but the remedy does not lie in our own hands.

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadian Urban): Sir, I think I might put the lid on this debate, and turn the attention of the House to something more interesting. Sir, these are days of financial stringency. That being so, I wonder why the Finance Member does not think of inaugurating a big sweepstake in the country to get money. I make that suggestion quite seriously. We can put aside moral prudery for the moment, when we are faced with such depressing conditions. As a matter of fact, we in Calcutta know what Calcutta owes to the proceeds of the Lottery Fund there. Its streets, parks, open spaces, its Town Hall were built out of the proceeds of a big lottery which was held about a hundred years ago. We seem to have advanced very much beyond that stage, and we shudder at the very suggestion that there should be such a thing as an authorised lottery. But are we in a position to state that we inhibit all kinds of gambling? What about the gambling in the race course from week to week and month to month?

**An Honourable Member:** How is all this relevant, Sir?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Honourable Member has evidently just entered the House. The Finance Bill has been finished and we are now discussing the supplementary demands moved by the Finance Member.

**Mr. C. C. Biswas:** I sincerely apologise. I was under the impression that we were still discussing the Finance Bill. I am sorry.

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, after the very gratifying support which we have had from certain Honourable Members who generally oppose Government, Mr. Gava Prasad Singh, for example, there is very little left for me to say with regard to the beneficent activities of the Imperial Council of Agricultural Research. Mr. Maswood Ahmad made two points, one as regards research into the diseases of rice and the other as regards the discovery of certain fertilisers which would help the paddy crop. I should like to inform him that the Imperial Council of Agricultural Research has a committee on fertilisers and I would also inform him that the Imperial Council of Agricultural Research has in hand a very wide scheme of research into the paddy crop. These specific suggestions which my Honourable friend, Mr. Maswood Ahmad, has made, will be brought in due course to the notice of the Imperial Council of Agricultural Research, and I have no doubt that they will receive the attention which suggestions emanating from Honourable Member's deserve.

Then, Sir, we come to my Honourable friend, Mr. B. Das's plaint. He has brought into being what really threatens to be an *enfant terrible*. Before the province of Orissa has actually come into being, he is making complaints that Government are not doing this and doing that and doing the other thing for his province. The point I would like to bring to the notice of the House is that the composition of the Imperial Council of Agricultural Research is such that every province has representation on it through its Ministers. The Province of Bihar and Orissa is represented on it through its Minister. This governing body has the control of funds which Government place at the disposal of the Imperial Council of Agricultural Research. I hope the Provincial Government of Orissa will soon come to life and when it is alive and kicking, it will have a representation on the Imperial Council of Agricultural Research, and then I hope my Honourable friend will have no cause for complaint.

As regards Bengal, Sir, I would point out that my Honourable friend does not seem to appreciate the fact that Bengal has its own particular and peculiar problems—one of these, for example, is the question of the water hyacinth which is supposed to be an agricultural pest.

**Mr. S. C. Mitra:** I was not dealing with the general question. I was dealing with the "Research Bureau" for sugar.

**Mr. G. S. Bajpai:** This debate has covered, if I may say so, the whole field of the activities of the Imperial Council of Agricultural Research. If my Honourable friend wants to have information as regards sugar research, I would say that the Imperial Council of Agricultural Research aims at having a series of research stations distributed throughout the belt of Northern India in order to test by local experience the qualities and capacities of different kinds of sugarcane which are produced in Coimbatore, the Presidency of my Honourable friend, Diwan Bahadur Ramaswami Mudaliar. Whether it is possible to have such a research in Bengal, it is not for me to say, but I am prepared to bring it to the notice of the Imperial Council of Agricultural Research. I do not think it necessary for me to say anything more on the subject.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 4,96,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Imperial Council of Agricultural Research Department'."

The motion was adopted.

#### AVIATION.

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

"That a supplementary sum not exceeding Rs. 33,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Aviation'."

The motion was adopted.

#### EMIGRATION—EXTERNAL.

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

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Emigration—External'."

The motion was adopted.

#### JOINT STOCK COMPANIES.

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

"That a supplementary sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Joint Stock Companies'."

The motion was adopted.

#### MISCELLANEOUS DEPARTMENTS.

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

"That a supplementary sum not exceeding Rs. 14,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Miscellaneous Departments'."

The motion was adopted.

#### INDIAN STORES DEPARTMENT.

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

"That a supplementary sum not exceeding Rs. 2,60,000 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 'Indian Stores Department'."

The motion was adopted.

#### CURRENCY.

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

"That a supplementary sum not exceeding Rs. 74,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Currency'."

The motion was adopted.

#### SUPERANNUATION ALLOWANCES AND PENSIONS.

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

"That a supplementary sum not exceeding Rs. 15,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Superannuation Allowances and Pensions'."

The motion was adopted.

#### MISCELLANEOUS.

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

"That a supplementary sum not exceeding Rs. 52,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Miscellaneous'."

**Mr. S. O. Mitra:** Sir, I find under this demand, that there is a payment to be made for the "Capitation Tribunal". I shall be glad to know when we may expect the decision of the Committee and how far it has advanced and what expectations we can have from this Capitation Tribunal? It is under "8—Details of the Special Commissions of Enquiry".

**The Honourable Sir George Schuster:** In the absence of my Honourable friend, the Army Secretary, I will answer this question. I think the best thing I can do is to refer the Honourable Member to the replies which have already been given in this House on the matter. We have really nothing to add to those replies. We hope that the result will be favourable to us and, that we shall be able to put the position before the public very soon, but beyond that I can make no statement at present.

**Mr. Gaya Prasad Singh:** May I enquire what amount the Government expect to receive as a result of the decision of the Capitation Tribunal?

**The Honourable Sir George Schuster:** I would refer the Honourable Member to the statement I have just made. I have nothing further to add.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 52,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Miscellaneous'."

The motion was adopted.



# MISCELLANEOUS ADJUSTMENTS BETWEEN THE CENTRAL AND PROVINCIAL GOVERNMENTS.

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

"That a supplementary sum not exceeding Rs. 22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Miscellaneous Adjustments between the Central and Provincial Governments'."

The motion was adopted.

## REFUNDS.

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

"That a supplementary sum not exceeding Rs. 10,65,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Refunds'."

The motion was adopted.

## DELHI.

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

"That a supplementary sum not exceeding Rs. 57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Delhi'."

**Mr. S. C. Mitra:** Sir, referring to the explanatory note, I find:

"This is required to meet the claim of the Government of the Punjab for reimbursement of charges incurred by them on account of 3 Sub-Inspectors attached to the Punjab Police as a training reserve for Delhi for the years 1917-18 to 1929-30. The Local Government failed to realise the cost for these years through an oversight."

And then the Standing Finance Committee approves of it. I would like to know after how many years it may be considered barred by the Finance Department; but I know as regards some charges the Government of India were eligible for realising from the War Office in England, that it was always pleaded that the question could not be re-opened as the claims were now barred, and they were all written off. I hope the Finance Member will give us some idea as to when these questions may be considered as closed.

**The Honourable Sir Harry Haig (Home Member):** Sir, it is true that this demand relates to past history and covers a period of twelve years; and when the demand was first put forward by the Punjab Government, it was, I think, suggested that the case was covered by the convention which was made some years ago and in accordance with which old demands were not raised by one Government against another; but it was pointed out in reply that in the year 1917 when this charge was first incurred, the Government of India had definitely accepted liability and, as a result of that, it was felt that they could not now repudiate it on the ground that it had not been claimed before.

# DEMANDS FOR SUPPLEMENTARY GRANTS.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Delhi'."

The motion was adopted.

## ADEN.

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

"That a supplementary sum not exceeding Rs. 14,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Aden'."

The motion was adopted.

## EXPENDITURE IN ENGLAND—SECRETARY OF STATE FOR INDIA.

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

"That a supplementary sum not exceeding Rs. 98,000 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 'Expenditure in England—Secretary of State for India'."

The motion was adopted.

## EXPENDITURE IN ENGLAND—HIGH COMMISSIONER FOR INDIA.

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

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Expenditure in England—High Commissioner for India'."

The motion was adopted.

## COMMUTED VALUE OF PENSIONS.

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

"That a supplementary sum not exceeding Rs. 9,33,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Commuted value of Pensions'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 29th March, 1933.

## LEGISLATIVE ASSEMBLY.

*Wednesday, 29th March, 1933.*

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Assembly Department has received intimation from the Secretary of the Legislative Department that with reference to the business of the current week in the Legislative Assembly, His Excellency the Governor General has been pleased to allot Saturday, the 1st of April, for non-official business, that is Resolutions, in place of Friday, the 31st March. The Chair, therefore, directs that the House will sit on Saturday and discuss Non-Official Resolutions. The Chair further directs that on Friday the House will sit and continue the discussion on the White Paper.

### MOTION FOR ADJOURNMENT.

ORDER OF EXPULSION SERVED ON FOUR CHETTIYAR BANKERS OF SAIGON BY THE GOVERNMENT OF INDO-CHINA.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I have received a notice from Diwan Bahadur A. Ramaswami Mudaliar that he proposes to ask for leave to make a motion for the adjournment of the House today for the purpose of discussing a definite matter of urgent public importance as follows:

“The position of the Chettyar Bankers in Indo-China, consequent on executive orders of a discriminatory nature having been issued by the French Colonial Government regarding the collection of their legal dues and, in particular, consequent on orders of expulsion issued and carried out by that Government on four Chettyar Bankers under circumstances involving great hardship and in violation of natural laws of justice”.

I have to inquire whether any Honourable Member has any objection to this motion.

**The Honourable Sir Brojendra Mitter** (Law Member): Sir, I object to this motion. I object on two grounds. First of all, it is not urgent. The motion itself says that the order has been carried out. If the order has been carried out and the people on whom orders were passed have left the country, then there is no urgency. That is my first objection. My second objection is that it affects the relations of His Majesty's Government with the French Government. The motion refers to executive orders of the French Government, describing those orders as of a discriminatory nature and in violation of natural laws of justice. When you

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talk of an order of a foreign Government in that way, my submission is that it affects the relations of His Majesty's Government with that foreign Government. On those two grounds, I object to this motion.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): Mr. President, I do not think there is anything in the objection raised by the Honourable the Law Member on either of those points. So far as the first point is concerned, the answer is very simple. Expulsion order has been issued and carried out on four bankers, but a vast number of bankers are threatened with similar orders. The position is acute. No doubt, the expulsion order has been issued and carried out with reference to four bankers, but others are threatened with similar orders. I have got here a sheaf of telegrams to show that others are being similarly threatened, and any day similar orders may be passed on them and many of them may be expelled.

So far as the second objection is concerned, I am not suggesting that anything should be done which will create bad relations between His Majesty's Government and the French Government. After all, we must appeal to His Majesty's Government to interfere on behalf of our nationals. If this House is not the forum where I can raise the grievances of our nationals in foreign countries, I do not know where else it can be done. Nothing in my motion suggests that any action which would be calculated to bring about adverse relations between His Majesty's Government and the French Government should be taken. If I had suggested that some positive action should be taken by His Majesty's Government which would have a bearing on the pacific relations that exist now between His Majesty's Government and the French Government, I could have understood the objection. I have not done anything of the kind. I merely want to draw the attention of His Majesty's Government through this House to the hardship and the injustice caused to a certain number of our citizens who are British subjects in Indo-China and ask the intervention of His Majesty's Government through such diplomatic courses that are open to them to save them from the coming disaster. Therefore, Sir, on either of these grounds I do not think there is anything in the objection raised by the Honourable the Law Member.

**Mr. F. E. James** (Madras: European): Sir, in regard to the two points raised, I should like to confirm in respect of the first point that I have also received representations to the effect that although the executive order has in fact been carried out in respect of certain bankers, there are still others over whom that threat is hanging, and, therefore, it is not enough to say that, because the order has been carried out in respect of some, therefore the matter is not urgent. It may be carried out tomorrow in respect of the others.

Secondly, Sir, the purpose of this adjournment motion, as has already been explained, is to make representations to His Majesty's Government and to ask them to continue their efforts in the direction which we desire. In doing that, I claim, Sir, it is not in the least necessary to discuss, on the floor of the House, even if it were desirable, the relationship between His Majesty's Government and another power. Our whole point is to afford an opportunity for discussing in public the urgency of this Government representing as strongly as possible the full facts to His Majesty's Government so that they can take such action as in their discretion they may desire to take.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair does not agree with the Honourable the Law Member's contention that the subject matter of the adjournment motion is not urgent within the rules. It may be that these four persons have already left the place in accordance with the order of the particular Government. That circumstance by itself does not make the position less urgent. It may be that as a result of the intervention of the Government of India those orders may be rescinded and these people may be enabled to go back, or that others who are threatened with such orders may be saved from any such catastrophe. Therefore, on the point of urgency the Chair does not agree with the contention of the Honourable the Law Member.

With regard to the objection taken that this motion would affect the relations of the Government of India or of His Majesty's Government with any Foreign State, the Chair feels that the subject matter sought to be raised in this motion cannot be barred by that rule. If the Indian subjects of His Majesty suffer any serious hardships in any part of the world, it is certainly open to this House, either by a Resolution or a question or an Adjournment Motion to bring such matter to the notice of the Government of India. (Applause from the Nationalist Benches.) To deprive the House of that privilege would be a very serious infringement on its legitimate rights. But the Chair would point out to Diwan Bahadur Ramaswami Mudaliar that there are certain words in the motion as he has framed which are objectionable: "on executive orders of a discriminatory nature" and, then in the end, "under circumstances involving great hardship and in violation of natural laws of justice." If this motion is allowed in the form in which the Honourable Member has tabled it, it would be tantamount to a condemnation of the action of the French Government by this House which cannot be permitted by the Chair. Therefore, if the Honourable Member is prepared to amend his motion by omitting these words, the Chair would consider whether it should allow the Honourable Member to move the motion.

**Diwan Bahadur A. Ramaswami Mudaliar**: I am prepared to accept your advice. I shall make my motion omitting the words "of a discriminatory nature" and also the words "and in violation of natural laws of justice". If the Chair thinks that I should omit also the words "under circumstances involving great hardship" I am prepared to do that. I shall, therefore, move:

"That the business of the House be adjourned to discuss a definite matter of urgent public importance, namely, the position of the Chettiyar Bankers in Indo-China, consequent on executive orders having been issued by the French Colonial Government regarding the collection of their legal dues and in particular consequent on orders of expulsion issued and carried out by that Government on four Chettiyar Bankers".

**The Honourable Sir Brojendra Mitter**: I should like to consider the amended version of the motion and I am not in a position to discuss it at the moment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If that is the contention of the Government, the Chair has no objection to permit the Honourable Member to make this motion tomorrow. The Chair would waive the objection on its part with regard to urgency, and it would allow the Honourable Member to make this motion in that form tomorrow and, then, the Chair will decide, after hearing the objection, if any, of the Honourable the Law Member, whether it is in order.

# ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE FOR RAILWAYS AND THE STANDING COMMITTEE ON ROADS.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I have to inform the Assembly that the following Members have been elected to the Standing Finance Committee for Railways and the Standing Committee on Roads, respectively:

## *Standing Finance Committee for Railways:*

1. Mr. Muhammad Yamin Khan,
2. Mr. M. Maswood Ahmad,
3. Raja Sir Vasudeva Rajah,
4. Mr. Amar Nath Dutt,
5. Mr. R. S. Sarma,
6. Kumar Gupteshwar Prasad Singh,
7. Mr. Muhammad Muazzam Saheb Bahadur,
8. Maulvi Sayyid Murtuza Saheb Bahadur,
9. Sirdar Harbans Singh Brar,
10. Sir Leslie Hudson, and
11. Mr. D. K. Lahiri Chaudhury.

## *Standing Committee on Roads:*

1. Mr. N. R. Gunjal,
2. Mr. Uppi Saheb Bahadur,
3. Mr. G. Morgan,
4. Haji Chaudhury Muhammad Ismail Khan,
5. Kunwar Raghubir Singh, and
6. Rao Bahadur S. R. Pandit.

## STATEMENTS LAID ON THE TABLE.

**The Honourable Sir Harry Haig** (Home Member): Sir, I lay on the table the information promised in reply to starred question No. 783, asked by Mr. S. C. Mitra on the 13th March, 1933.

## ILL-HEALTH OF MR. SATINDRA NATH SEN, A POLITICAL PRISONER, DETAINED IN THE CAMPBELLPORE JAIL.

\*733. (a) and (b) No.

(c) and (d) Mr. Subhas Chandra Bose was permitted to receive treatment and advice from Kabiraj Shyamadas of Calcutta, but not at Government expense.

(e) The reason for non-acceptance was that the prescribed conditions were not carried out.

(f) Provided the conditions are fulfilled, there is no objection to such medicines being supplied at the expense of the detenu.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to parts (a), (b) and (d) of unstarred question No. 59 asked by Mr. M. Maswood Ahmad on the 2nd March, 1933.

## COMMUNAL COMPOSITION OF PERSONS EXAMINED FOR APPOINTMENT AS LOWER DIVISION CLERKS BY CERTAIN POSTAL OFFICIALS OF DELHI AND LAHORE.

|                                                          | Hindus. | Muslims. | Sikhs. |
|----------------------------------------------------------|---------|----------|--------|
| 59. (a) Number of outside candidates examined by—        |         |          |        |
| Postmaster, Lahore . . . . .                             | 19      | 21       | 6      |
| Superintendent, R. M. S. 'L' Division . . . . .          | ..      | 1        | 1      |
| Postmaster, Delhi . . . . .                              | ..      | 1        | ..     |
| Superintendent, R. M. S. 'D' Division . . . . .          | ..      | ..       | ..     |
| (b) Number of outside candidates declared successful by— |         |          |        |
| Postmaster, Lahore . . . . .                             | 4       | 4        | 2      |
| Superintendent, R. M. S., 'L' Division . . . . .         | ..      | 1        | 1      |
| Postmaster, Delhi . . . . .                              | ..      | 1        | ..     |
| Superintendent, R. M. S. 'D' Division . . . . .          | ..      | ..       | ..     |

Excepting the candidate of the Delhi Post Office none of the other candidates has so far been finally approved by the Head of the Circle.

(d) Does not arise as the only candidates so far approved from among the groups referred to in part (a) is a Muslim.

**Mr. H. A. F. Metcalfe** (Foreign Secretary): Sir I lay on the table the information promised in reply to starred question No. 723, asked by Mr. M. Maswood Ahmad on the 13th March, 1933.

## JUSTIFICATION FOR THE APPOINTMENT OF A SEPARATE SECRETARY IN CHARGE OF EDUCATION IN CENTRAL INDIA.

\*723. The position in regard to the first query is as follows. All matters connected with Education in the Central India Agency are dealt with by the Superintendent of Education, Delhi, Ajmer-Merwara and Central India, as part of his normal duties. To save time and duplication of work, however, he has been designated Secretary to the Agent to the Governor General in Central India in the Education Department to enable him to submit files direct to the Agent to the Governor General.

The reply to the second part of the question is in the affirmative.

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, I lay on the table:

- (i) the information promised in reply to starred question No. 722, asked by Mr. M. Maswood Ahmad on the 13th March, 1933; and
- (ii) the information promised in reply to starred question No. 724, asked by Mr. C. C. Biswas on the 13th March, 1933.

#### DUTIES OF THE SUPERINTENDENT OF EDUCATION, DELHI.

\*722. (a) (i) Yes. All matters connected with education in Central India are dealt with by the Superintendent of Education, Delhi, Ajmer-Merwara and Central India as part of his normal duties. To save time and duplication of work, however, he has been designated as Secretary to the Agent to the Governor General in Central India in the Education Department. This enables him to submit files direct to the Agent to the Governor General.

(a) (ii)—(vii), (xii) and (xiv). Yes. Positions (ii), (iii), (vi) and (vii) he holds *ex-officio*.

(a) (viii)—(x), (xiii), (xv) and (xvi). No.

(a) (xi) The Commercial Diploma examination is conducted by a board consisting of prominent Government officials and leading businessmen. The Superintendent of Education, Delhi, is not an examiner this year but was in 1932.

(b) No duties other than those mentioned in the reply to part (a) above, are performed by the Superintendent of Education, Delhi, Ajmer-Merwara and Central India. Of certain bodies he is an *ex-officio* member and on others he represents the Local Administration concerned, with the permission, where necessary, of the competent authority.

(c) (1) The Superintendent of Education, Delhi, is a 2nd class M.A. He has had more than 20 years' experience of educational work and has studied educational methods in England, the United States of America and Japan.

(c) (2) No.

(c) (3) The reply to the first part of the question is in the negative. As regards the latter part, the attention of the Honourable Member is invited to the reply to clauses (i) and (xv) of part (a) of this question.

#### EXTENSION OF THE PROVISIONS OF THE PROVIDENT FUNDS ACT TO THE CALCUTTA UNIVERSITY EMPLOYEES.

\*724. (a), (b) and (c). Yes.

(c) Yes, Government are prepared to issue a notification after satisfying themselves that the rules governing the Provident Fund of the Calcutta University do not conflict with any of the provisions of the Provident Funds Act, XIX of 1925.

(d) A set of provident fund rules has been framed by the Calcutta University, but they are still under the consideration of the Government of Bengal.

(f) and (g) Applications from 19 colleges have been received but as they are still under examination, it has not been possible to issue the necessary notification. The examination is, however, being expedited and orders will be issued as soon as possible.

#### PROPOSALS FOR INDIAN CONSTITUTIONAL REFORM.

**The Honourable Sir Brojendra Mitter** (Leader of the House): Sir, I move:

"That the White Paper containing the Proposals for Indian Constitutional Reform be taken into consideration".

Sir, the White Paper has been published in this country primarily to elicit public opinion, and it is but proper that a document of such far reaching importance,—indeed, a document of destiny, should be carefully discussed by the Non-Official Members of this House who reflect practically every shade of public opinion. It is also a requirement of that propriety that Official Members should take no part in that discussion.

Sir, the policy outlined in the White Paper, stated in the broadest terms, aims at finding a suitable basis for the conversion of the present system of government in India into a responsibly governed Federation of States and Provinces, on the understanding that the responsible government so established must, during a period of transition, be qualified by limitations in certain directions. I am sure, the House will agree that, we, the Members of Government, who form part of the present system, should leave this debate entirely to the Non-Official Members. Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That the White Paper containing the Proposals for Indian Constitutional Reform be taken into consideration".

The Chair now proposes to call upon Sir Abdur Rahim to move his amendment.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): On a point of order, Sir. I should like to know from the Chair what would be the procedure with regard to the discussion of the amendments. Will they be put to vote? Ordinarily amendments are put to vote first and then the original proposition. I should like to know what would be the procedure that would be adopted in this case.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member has asked a point of information and not raised a point of order. As the Honourable Member has himself remarked, if amendments are moved and pressed to a division, the Chair would follow the usual order of putting amendments first to the vote before putting the original proposition. Sir Abdur Rahim.

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): (Loud Applause.) Mr. President, I move:

"That for the original motion the following be substituted:

"This Assembly requests the Governor General in Council to convey to His Majesty's Government that, in the opinion of this Assembly, unless the proposals of His Majesty's Government for Indian Constitutional Reform are substantially amended in the direction of conceding greater responsibility and freedom of action to the representatives of the people in the Central and Provincial spheres of Government, it will not be possible to ensure peace, contentment or progress of the country".

Sir, at the outset I must express my surprise at the attitude that has been taken up by the Government of India on this occasion. As stated by the Leader of the House himself, the subject under discussion is a matter of

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outstanding importance and the document that we have to deal with involves nothing less than the fate of the Government of this country. Sir, I take it that the Government of India, if not the Government of the entire country, is at least a great portion of the Government of this country, and it seems to me to be inexplicable that when the fate of the Government of the country is involved, the Government of India should have nothing to contribute to the discussion.

Sir, the Government of India must be aware that the proposals contained in the White Paper are of such momentous character, and of such far reaching consequences, that it has created great commotion in the country, to use mild language. On an occasion like this, we should expect, the whole country would expect that the Government should at least indicate their position with reference to the proposals that are before the House. We are aware that the Secretary of State is the master of the situation as representing the British Parliament, but all the same, if the Government of India are the agency of that Parliament and nothing more, even then one would have expected that the Government should have been prepared, in a matter of this importance, to defend the proposals of the Secretary of State, of the Government of Britain, as contained in these proposals. Sir, I repeat that I find it very difficult to conceive the reasons which have actuated the Government of India to observe silence on this occasion, not only the Government of India, but the entire official body. We do not understand that the Government of India and their officials have had nothing to do with these proposals and if Sir Samuel Hoare, the Secretary of State for India, was in a position to explain the trend and scope of these proposals, surely the Government of India ought to have explained those proposals to us.

**The Honourable Sir Brojendra Mitter:** May I interrupt? If on any particular point an explanation be necessary or if there be any misunderstanding, we shall do our best to offer the explanation and to remove the misunderstanding.

**Sir Abdur Rahim:** I am glad that the Government of India are prepared to go so far, but I do submit to this House and to the country that the Government of India ought to be in a position to explain not merely particular passages in the proposals of the White Paper, but the entire scheme, and to give their valuable opinion on the subject.

Now, Sir, I pass on to the amendment that I have moved. The House will observe that the language of the motion is extremely moderate, studiously moderate and that the language represents the spirit of this House. We are not here in order to condemn the entire scheme. That is not the scope of the amendment. We see that in some directions there is some advantage, but we do hold, and I believe the majority of the Members, the Non-Official Members on this side of the House will agree, that unless there is considerable advance in the direction of devolving further responsibility on the representatives of the people, the proposals of the White Paper will not receive acceptance in the country (Hear, hear), will not conduce to peace and contentment. I take it that the first and the foremost object of the new Constitution is to assure peace and contentment in the country. We all know for how long political agitation has been going on in order to secure responsible government and, if the proposals are seriously defective in that respect, surely the British Parliament and the British people and

the Government of India will not expect that people will take things lying down. They will not. We have tried in as moderate and sober language as possible to point this out to the Government of India and, through them, to the British Government. We have not used any language which will irritate anybody's feelings. We have not made any particular demand on any particular point. All that we ask for is that there must be some substantial concessions to the people of this country so that responsible Government which has been repeatedly promised to us will be achieved at no distant and vague date, but within a reasonable measure of time. I am not going to discuss the proposals in the White Paper on vague generalities, setting up any vague standard or relying on any particular phraseology which has found vogue in the country. I wish to take my stand, speaking on behalf of my Party and, I believe, of the majority of the Members in this House, on the declared policy of His Majesty's Government. That policy is set out at the very commencement of the White Paper. It is contained in what is called the Command Paper, No. 3972. That Command Paper is the declaration made by the Prime Minister on behalf of His Majesty's Government in January, 1931. That declaration was approved by both Houses of Parliament. I wish to examine the proposals in the White Paper, therefore, in the light of that declaration.

If the proposals, as contained in this Paper, are in accordance with that declaration, then we shall be prepared to accept it, but to the extent that they are not in accordance with that declaration, it is our duty to insist upon His Majesty's Government to amend the White Paper in that direction. I have read that declaration more than once and the speech of the Prime Minister of Britain which accompanied and explained that document. I do not wish to refer to the proceedings or to the speeches of any particular members of any of the three Conferences. You can find passages of all sorts in the speeches of the various members of the delegation, British as well as Indian, Princes as well as representatives of British India, and it would serve no good purpose if I were to draw the attention of the House to any particular statement in a particular speech, however eminent the person from whom that speech proceeded. I, therefore, take my stand on a document which cannot be repudiated by any one, by which the British Government and the British people have got to stand. We have been told time after time that the definite policy of the British Parliament is to keep India out of party politics and we have been assured of this also in the most recent speeches delivered on the White Paper in the House of Commons. Indian questions at any rate of this character are not questions for any particular party; they are questions in which the British nation is concerned *vis-à-vis* the Indian nation. That is the position I take up. Therefore, it will serve no useful purpose for anyone to say that the declaration was made by the Labour Government and it is now some other Government, a National Government or practically a Conservative Government, which is in power. I am entitled to ask the British Government to stand by it, whether it is a National Government or a Conservative Government. Sir, in dealing with the proposals I do not want to criticize the proceedings of any of the Round Table Conferences: it is the declaration that is the outcome of those Conferences which is in question. Some of the proposals might have been agreed to unanimously, some others might have been accepted by a majority, or some might represent the views of minorities of the Delegation, and there may be some which are new proposals. I do not wish to deal with these. There



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are Honourable Members in this House who have been members of the three or at least some of the Round Table Conferences, and, if they so choose, they may deal with these points,—as to how far the proposals are in agreement with the decision of the majority or the unanimous decision of the members of the Round Table Conference and which of them are new proposals. Sir, I also want to make it clear that it is not my business nor of this House to try and search out the hidden meanings,—to find out what might have been the intention, to find out what were the general impressions created in the minds of the members of the Conferences. That is not the point. The point which I want to emphasize is, whether these proposals are in accordance with the declaration made as an outcome of the proceedings of the Conferences as to the policy of His Majesty's Government. Sir, the declaration, I say, promised full responsible Government to India, which alone, as the British Prime Minister said, was wanting in order to give India the status of a Dominion in the British Commonwealth of Nations, but subject to certain limitations and safeguards during the period of transition. The Prime Minister pointed out in his speech that pledge after pledge had been given to India that the British Raj was there not for perpetual domination.

Sir, the first question I am going to ask in this connection is this: is this declaration another pledge, or is it a fulfilment of all the pledges that have been given? That is the most important question which the House has to consider, and to it we want an answer. Is it another pledge? Is it an added pledge? Or is the declaration, and the proposals which should carry out that declaration, a fulfilment of the pledges? That is the point, the cardinal point, which I wish to deal with. Sir, I have tried to study the entire proposals, and I have tried even to read the hidden meaning, but I have failed to find what is meant by the period of transition. That is the most important question, to which I find no clue whatever in any of the proposals of the White Paper. Sir, if this period of transition means something indefinite, then, I say, this declaration is a mere promise, like the promises contained in previous pledges, previous statements of Prime Ministers and Parliaments and of the Viceroy of India. Sir, the House is perfectly familiar with the preamble to the Government of India Act, 1919. I want to know, "does this declaration mean, by the transition period, what is laid down in the preamble to that Act?", that is to say, that during this period the people of India have to prove to the satisfaction of Parliament their capacity for Self-Government, that is, a period of probation. Is that the intention? Sir, there must be a clear answer to this question before the Government ask the people of the country to accept the proposals of the White Paper as a final decision. Honourable Members will remember that the Prime Minister, in opening the first Session of the Round Table Conference, at least in one of his speeches at the Round Table Conference, made it quite clear that it was the desire of His Majesty's Government to have a final Government of India Act—a Constitution which would be final in shape and form and contain within itself provisions for development to full responsibility. Is there any such provision anywhere in the proposals of the White Paper? No. Sir, as was pointed out, and as every Member of the Treasury Benches knows full well, examination of the capacity of the people of India from time to time as to how far they are fit to govern themselves leads only to further unrest in the country and can do no party any good. Therefore, I take it that if these proposals are the

final proposals for a new Constitution, which are not to be amended from time to time by inquiries such as were undertaken by the Statutory Commission, then there must be provisions within these proposals for the termination of the period of transition. Sir, that is the first point I want to make. I understand that Indians will be consulted in London regarding the proposals of the White Paper by the Joint Select Committee of Parliament, and I take it that it will be the first concern of those that go from here to attend the deliberations of the Joint Parliamentary Committee to see what means can be devised within the next Constitution Act for full development to responsibility of the government of the country. That is a thing that has to be noted first by the Indian members who are likely to sit with the Joint Select Committee.

Sir, the Honourable the Leader of the House has read a portion of the first paragraph of the introduction to the White Paper proposals. I wish, with the leave of the House, to read the whole of it:

"In December, 1931, both Houses of Parliament adopted a motion expressing approval of the Indian policy of His Majesty's Government, as announced to the Indian Round Table Conference and set out in Command Paper 3972. That policy, stated in the broadest terms, involved the prosecution of further inquiries and discussions with the object of finding a suitable basis for the conversion of the present system of government in India into a responsibly governed Federation of States and Provinces, on the understanding that the responsible Government so established must, during a period of transition, be qualified by limitations in certain directions. These limitations, commonly described by the compendious term 'safeguards', have been framed in the common interests of India and the United Kingdom."

Now, Sir, if you look to the declaration itself, it says this:

"The view of His Majesty's Government is that responsibility for the Government of India should be placed upon Legislatures, Central and Provincial, with such provisions as may be necessary to guarantee, during a period of transition, the observance of certain obligations and to meet other special circumstances and also with such guarantees as are required by minorities to protect their political liberties and rights and such statutory safeguards as may be made for meeting the needs of the transitional period. (Again the transitional period). It will be a primary concern of His Majesty's Government to see that the reserved powers are so framed and exercised as not to prejudice the advance of India through the new Constitution to the full responsibility for her own government."

Sir, if words have any meaning, this passage makes it absolutely clear that the new Constitution itself must contain provisions and must contain the mechanism by which India can advance to full responsible Government and these limitations and safeguards will be brought to an end. There can be no other meaning. Then, if you look to the rest of the declaration, you will find that when it deals with the nature of the safeguards, it expressly says almost everywhere that under the existing conditions this and that safeguard is necessary. Now, Sir, unless it is contemplated, which it is not, that the existing conditions must last forever, the period of transition must come to an end and with it all these limitations and safeguards.

Now, Sir, as the House will observe from the language of the motion which I have moved, we are not demanding full responsible Government at once. We recognise and fully recognise that for a certain period there must be safeguards. But what we want is this that a machinery must be provided by which the need for these safeguards can be met and met successfully. Further, as regards the nature of the safeguards with which I shall deal presently, I wish to point out to the House that they are even for the period of transition much too sweeping and general. Therefore, it will be the business of the Government of India, at least of those

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Indians who will go to the Joint Select Committee, to point out how and by what means the needs of the period of transition can be met and, further, in what directions during the period of transition the safeguards can be better defined and made narrower in their scope.

I come now, Sir, to the nature of the proposals. I shall take first the special responsibilities that are sought to be devolved on the Governor General. I do not want to discuss all these responsibilities, but to point out that the language with respect to all of them is far too sweeping:

"Prevention of grave menace to the peace and tranquillity of India or of any part thereof".

Now, that is a matter for the Governor General entirely at his discretion to determine how to prevent any such menace arising. It is not that the menace has arisen or that an emergency has arisen—emergency powers are different, they are put in a separate category—but how to prevent such menace from arising? It is something like section 144 of the Criminal Procedure Code. The difference is that this covers the whole field of Indian administration and not any particular meeting or any particular small locality. Then it says:

"safeguarding the financial stability and credit of the Federation".

Now, Sir, language could not be wider. Similarly, "prevention of commercial discrimination". No attempt is made to define what commercial discrimination is and, as for prevention, it depends upon the discretion entirely of the Governor General of the future to say when the necessity arises. Sir, I have been discussing these things with some friends, and one of them suggested in a very charitable mood: "But these provisions will not be brought into operation; these are not meant to be brought into operation". Sir, I submit to this House that this is an absolutely wrong idea. It may be that the King has got certain reserved powers over the Constitution and they are never brought into operation, but the condition of India is totally different. There is absolutely no analogy here with the position of the King or of the Parliament in Great Britain. Sir, if there was any doubt on the point, the Secretary of State has made it quite clear that these safeguards and these reserved powers are intended to be and will be brought into operation whenever necessary. And who is to judge when they should be brought into operation? The Governor General. Further, as pointed out by the Secretary of State himself machinery has been provided in these proposals for giving effect to these reserved powers and safeguards. The Governor General is going to have a Financial Adviser of his own in addition to the Finance Minister who will be responsible to the Legislature. He is to have three more counsellors and, I take it, he must have a Secretariat staff also. Is that for nothing? Most surely not. These provisions are intended to be given effect to according to the judgment of the Governor General as advised by his counsellors and his advisers; and this is also the case with the Governor. Although the Provinces are promised autonomy and full responsibility as contrasted with the Centre, the Governor of a Province is given exactly the same powers excepting the one for safeguarding the financial stability and credit of India which does not apply to the Provinces. The Governor will have not only his personal staff, but the Secretariat staff; they may

not be called counsellors and advisers, but they will be Secretaries. Therefore, Sir, there is a definite provision in these proposals for giving effect to all these safeguards.

Now, Sir, as I began by saying we admit the necessity for safeguards, but we challenge the character of the safeguards which have been placed in the hands of the Governor General and the Governor. We challenge also the outlook of the proposals that these reserved powers and safeguards must remain for ever. Sir, these proposals, if carried into an Act of Parliament in this form, will make the machinery of the Government of India so complicated, costly and cumbersome that I submit to the House it will be well-nigh impossible to work the Constitution. There will be a Governor General with his own distinct Government not a Governor General in Council as now. The most important half of the Government will be removed from the purview of this Legislature and the Legislature of the future will be worse off than even we are. The Government of India act now through the Governor General in Council and we have six Honourable Members who are Members of that Government, three of them being Indians. The Governor General, in dealing with the reserved subjects like defence and foreign and political relations, will act entirely on his own responsibility and not in Council. He may have counsellors, but not a Council. They will be impervious to the voice of public opinion; they may come here and listen to the debates of the future Legislature, but those debates will be literally schoolsboys' debates so far as the reserved subjects are concerned. Sir, we know that defence costs nearly half the revenues of the Government of India, not taking into account the revenues of the Railways; we also know, for instance, from the very motion moved today by Diwan Bahadur Mudaliar, the question of foreign relations also is of the utmost importance to us as it determines the status of this country before the eyes of the world. These vital and important subjects the Governor General will conduct and manage just as he likes; the popular voice need have no influence whatever on him. I do not know, Sir, how the business of the Cabinet of the Government of India is conducted now, but at least we have three Honourable Members who are Indians in the Government of India, and I believe questions relating to army expenditure and political and foreign relations are brought before them. But no Indian need be consulted about them in the future. I think there is a provision somewhere in the proposals that the Governor General should consult the Minister, but that is entirely at his option. But even that does not mean that he will hear the voice of the people as regards the conduct of those Departments. He cannot even be criticised. We know there is a convention in this House that we cannot even mention the name of the Governor General. Therefore, in these most important respects the state of things will be worse than it is now. Surely this is another very important matter for consideration by the Joint Select Committee and Parliament. In this connection I may also point out to the House that there is a suggestion, in fact a definite proposal, that there shall be instituted a Statutory Railway Board. If that is consummated, then even the Railways will practically go out of the purview of the Legislature. What does that mean? It means that 80 per cent. or more of the revenues of India can be spent at the will and entire discretion of the Governor General without the people having any voice in the matter. It is a very serious matter and requires close attention on the part of the Joint Select Committee and of Parliament; and I do hope that the Government of India will point out the implications

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of these proposals. Sir, in this House on another occasion, I raised my voice against the scheme of an all-India Federation, that is, a Federation comprising the Indian States as well as the Provinces of British India. I pointed out then in general terms that to commingle ancient India with modern India is an experiment fraught with the gravest dangers. I will not dwell upon that now, but I must point out that, so far as I have been able to ascertain from conversations with many leading politicians of all schools of thought in the country, there is a great reaction against this proposal. Even the Princes, who showed considerable enthusiasm at one time to help us to attain responsible Government by coming into the Federation—mind you, to help us to attain responsible Government—even the Princes, according to the newspaper reports, are not so enthusiastic now, to use a very mild expression. Sir, the proposals contained in the White Paper furnish ample testimony to the difficulties that there are in bringing about the Federation.

12 Noon. Now, Sir, supposing this sort of Federation is brought about in fact by some means or other, by making any concession you like to the Indian States at the sacrifice of the Provinces, at our sacrifice, what will be the position? What do the Princes stand to gain by it? I say, nothing. They will involve themselves in difficulties which they perhaps do not quite realise at present. You may have your safeguards, but if we have a popular Assembly at all and if the Princes' nominees are to sit here in a popular Assembly, they will realise, as I believe the Honourable Members on the Treasury Benches now realise, that it is not easy to run a popular Assembly, to control a popular Assembly, that you cannot in a popular Assembly stifle the breath of freedom, freedom of speech and freedom of criticism—you cannot do that. They must realise that and if they are going to deal with subjects which intimately concern the Provinces that is our India, they will have to be prepared, as part of the same Government, to be subjected to similar criticism, to similar examination and similar searchings. Then, Sir, may I ask, what do the Princes gain? They have autonomy in their own States. Their States are autonomous. They have full powers and jurisdiction. They must be asked—they will have to be asked—to surrender their powers and jurisdiction over subjects of the greatest importance to them. They will be losers pecuniarily; they will be losers so far as prestige is concerned, which is of great value to an autocratic ruler, and what is the compensation for them? I say none. It has been said that unless the Princes come into the Federation with their nominees, there can be, or there will be, no responsibility at the Centre. What I ask is this. If you examine the proposals, what is the nature and scope of that responsibility? Army, Defence and Finance, practically, if not in name, will be excluded, and, last, but not the least, Railways. What is left for the Legislature to administer?

Sir, I saw in the papers that some Member of Parliament said that dyarchy must not be introduced in the Centre. He meant the dyarchy as we have had the experience of in the Provinces. But the Honourable Members opposite know that dyarchy in the Provinces, by whatever means it may be, is working extremely smoothly. Only in Bengal, I believe, twice and, in Madras, once, the Ministry had to be changed. Now, I ask, is that not the very essence of responsible Government, Government by Legislatures, where the representatives of the people are represented? Is it not the very essence of such Government that there must be changes

of Ministry, whenever the people may lose confidence, whenever the Ministers policy has failed to work or failed to bring about the results as was expected of them?

Now, Sir, as I read the whole proposals they are calculated, if not intended, to preserve the *status quo* that now exists. If that is the object of the new Constitution, the new Constitution is not worth having at all. I know that some politicians at least want responsibility or power for power's sake, but surely that is not all. We want power to be able to make things move to bring about amelioration of the condition of the people, enable the people to look after their own affairs and to remedy their lot in life, and that cannot be if you only maintain the *status quo*, if you have safeguards and provisions that will simply preserve the state of things as it is now. Then, I ask, where will be the chance of any Ministry to do anything for the country, to carry out any big policy? I say, it is not possible, and more especially if the finances of the country are controlled in the way they are proposed in the White Paper.

Sir, I alluded to the difficulties which await the Federation, if it is to be achieved, not only difficulties as regards their instrument of accession, as it is called, that is, the surrender of their powers and jurisdiction; there are tremendous difficulties as regards the allocation of seats, allocation of seats between the two classes of units and among themselves. May I ask whether all this complication is necessary in order to improve the present Constitution and to take us forward to responsible Government? I say, it is not. The Princes have their Government, though it is not responsible, theirs are autonomous and self-contained Governments. It is only we in British India that have not. As regards the Statutory Commission, it was pointed out by Sir John Simon himself in yesterday's debate in Parliament that his Commission was appointed by the terms of the Government of India Act, in order to devolve a plan for responsible Government for the people of British India who do not enjoy any autonomy in the proper sense of the word at present.

Sir, let me say one word about the Services. Let me say candidly that I am not one of those who think that the Englishmen in the Indian Civil Service, the Police and some other services like that are not wanted at present. I do say that they serve a useful public service, but I can very well foresee the time if responsible Government is to come at all, a time will come when, for instance, the district administration, a species of administration which was initiated by the East India Company and has developed into its present form on the old lines, when that district administration gives way to proper local government, when we have, as we ought to have very soon, the organs of local government fully developed and in operation, then the services of Englishmen in the districts may not be and will not perhaps be necessary. I am, therefore, not opposed to a certain proportion of the recruitment being made in Britain. I am not opposed to that, not certainly for the Indian Civil Service; but the proposal in the White Paper goes much further. The Secretary of State wishes to keep to himself the entire control of the services. Why? He is afraid that the services will be attacked by the future Governments here. I have some experience of administration in different Departments, and I can say this; there is absolutely no foundation for any such apprehension. I have worked with many an English official—Secretaries and heads of Departments; and I say that I have never found the slightest difficulty in getting on with them. I have found them always loyal, absolutely loyal, carrying out the orders which I, as a Member of the Government, had to

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pass; and I believe that is the experience of all Indian Members of Councils throughout India and of the Ministers. There is not the slightest danger that the future Government will treat unfairly, unjustly or harshly the European members of the services. Therefore, I submit, the proposals are mischievous in this connection. They suggest that the services must look beyond their immediate Chiefs, the Ministers, to other authorities. If you hold that prospect out, if you are going to give any sort of autonomy to the Provinces and if you say to the services: "No your Chiefs are not the Ministers but the Governor and over him the Secretary of State", that is sure to create difficulties. As Honourable Members on the Treasury Benches must be aware, this particular proposal has created considerable misgivings in the minds of the public. I do not treat it as a matter of such grave importance as some of my friends do; but there is the fact. Do not, by your proposals or anything in the Constitution Act, give an impression or make a suggestion to the services, whether European or Indian, that they are not to look to the Ministers for guidance and for orders or for anything concerning their service and themselves, but to some higher authority. I say, that is unwise and inexpedient.

I am afraid, I have taken up a considerable portion of the time of the House: but there is one other important feature in the proposal which I must point out in connection with the services. We know in this House and we are reminded of it constantly that the question of claims by different communities with respect to the services causes an amount of wrangling and ill-feeling in the Legislature out of all proportion to its importance. I searched the proposals to find out some formula for this, but there is none; and let me assure the Government of India that this omission has caused a great deal of misgiving in the mind of the Muhammadan community generally, and, I believe, in other minority communities as well. This is another omission which has to be filled up as soon as possible.

I must say one word regarding my Province of Bengal, and two other Provinces, the United Provinces and Bihar, where it is proposed to instal second Chambers. They have done very well so far without second Chambers. Nobody can deny that. What difficulties have there been in the United Provinces and in the Province of Bihar because of want of a second Chamber? None that I know of. As for Bengal, do Government think that the troubles that are going on there are likely to be cured by the institution of a second Chamber? I do not know what virtue there is in another House sitting in judgment over the Lower House, the larger House, the more representative House. Is it going to be another House of Lords? May I ask, where are the elements in this country to supply the place which the House of Lords occupies in the British Parliament? We also know that even such a House of Lords which contains men who have fought for their country and helped to bring England up to her present position, to the present level of free Government, even that House of Lords is feeling difficulties, insuperable difficulties, in functioning because of the march of time. The House of Lords cannot stem the tide of democracy. Say what you like, democracy has come into the world to stay, whether it takes the shape of an ordinary Legislature or even if it sets up a dictator of its own. Much argument has often been founded on the fact that in some of the countries of Europe we have dictators, yes, but dictators who are the chosen representatives of the people. They are given dictatorial

powers in certain emergencies for certain purposes; but they depend entirely upon the will of the people. Where are those conditions to be found in this country, in Bengal, or Bihar or the United Provinces? Take the position of the Legislature throughout. You will have so many interests there. I do not deny that the interests have to be represented: there are important interests, not only minority interests, but there are landed interests, there are industrial interests which have all to be represented: True. But if you are going to make things still more difficult, surely it will be almost impossible for a ministry to function with any effect or to serve any useful purpose in the country. The Honourable Sir George Schuster pointed out only two days ago that the financial prospect of the country was not so rosy as some of us, according to him, thought. None of us think that the financial prospects of the country are rosy at all; but he pointed out that the new Constitution when launched will involve an additional expenditure of nothing less than nine to ten crores—it may be 11 crores or even 12; but I believe the last figure he gave us was nine crores; where is all that money to be found? Look at the cost of it, not only to the Government, but to the country, to those who will seek election and to those who will have to vote for the candidates, and the whole organisation that has to be set up for the purpose. All this is perfectly worth while if we are to set up a democratic Constitution, provided you make it such that it will work; but it is certainly not worth while if you set up a Constitution which will not work . . . . .

**The Honourable Sir George Schuster (Finance Member):** My Honourable friend, I think, is misrepresenting what I said. I said that under the constitutional plan, envisaged in the White Paper, the Central Government, or the Federal Government of the future, was expected to surrender very substantial sources of revenue to the Provincial Governments. That does not represent the cost of setting up the new Constitution, and indeed the figures which I gave included no estimate of the cost of the setting up of the new Constitution. But that, compared with the figures quoted by my Honourable friend, will be quite negligible.

**Sir Abdur Rahim:** Well, Sir, I stand corrected: perhaps I did not quite accurately represent what my Honourable friend said. But we should like to have from him figures to show what will be the additional cost, not only to the Government, but to the others. Take the Upper Chamber itself: that will cost additional money. All this extended franchise must cost more money to the country. The point I am making is this, whether all this cost, all this trouble and all the worry will be worth while,—the worry on which the Prime Minister of England laid special emphasis at the conclusion of the first Round Table Conference. All this worry will be worth while for the country and we will undergo it willingly and with the greatest readiness, if we can see that the machinery that is going to be set up will be able to do some tangible good and enable the country to advance on the path of economic progress, make the people freer and happier, improve their lot of life, improve their standard of living, give them more education, look after their health better,—if all these things could be achieved, then, I say, all the complications, all the worry and all the cost will be worth while. You have to give responsible Government to the country, but do not make it so complicated and so difficult to work that the Ministers will not be able to carry out any well thought out programme of reconstruction for which they might have canvassed

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the country and for which they might be supported by the people. That is my plea, and I do say that these proposals have to be amended in that direction considerably before the new Constitution can serve any useful purpose. Sir, we are on the eve of a great change, and if I have spoken out frankly, candidly, without mincing words, pointing out the defects, let it not be understood that we condemn all the proposals. There is certainly some advance contemplated, but the advance is not sufficient; the advance must be much greater than is contemplated in the White Paper. If the proposals are such that within a reasonable period by adopting certain measures full responsibility will be acquired by the people of this country, Sir, the Government will be able to satisfy all phases of public opinion in the country. If, on the other hand, the new Act be so halting or so guarded, so much hedged round with safeguards which cannot be got rid of at any time, then, as stated in the Resolution which I have moved, it will not be possible, whatever measures you may adopt, to bring about peace, contentment or progress in the country.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Amendment moved:

"That for the original motion the following be substituted:

'This Assembly requests the Governor General in Council to convey to His Majesty's Government that, in the opinion of this Assembly, unless the proposals of His Majesty's Government for Indian Constitutional Reform are substantially amended in the direction of conceding greater responsibility and freedom of action to the representatives of the people in the Central and Provincial spheres of Government, it will not be possible to ensure peace, contentment or progress of the country.'

Before continuing the discussion, the Chair wishes to make an observation regarding the amendments. Honourable Members would observe that there are 19 amendments on the order paper. The Chair would like to remind Honourable Members that the mere fact that an Honourable Member has tabled an amendment does not by itself give that Honourable Member a right to move that amendment. While the Chair has no desire to interfere with the rights of Honourable Members to move amendments, which are within the scope of the original Resolution, in a debate of this nature, it is the duty of the Chair to regulate the debate, so that the maximum amount of usefulness might be obtained. ("Hear, hear" from all sides of the House.) The Chair called upon the Honourable Member, Sir Abdur Rahim, to move the amendment that stood in his name, because it felt that the Honourable Member's amendment was the most comprehensive and raised a single definite issue. Very many of the other amendments seek to go into great details. It is for the authors of the amendments and for this House to decide whether any useful purpose would be served by actually moving those amendments at this stage of the discussion. The Chair does not wish to express any opinion on that point. With a view, however, to enabling the Chair to decide what further amendments, if any, it should call upon Honourable Members to move, the Chair will be obliged if, after the Lunch hour, Honourable Members in whose names the amendments stand on the order paper will intimate to the Chair whether they desire to move those amendments or whether they desire to drop them.

**Sir Leslie Hudson** (Bombay: European): Mr. President, on this occasion when the House is being afforded the opportunity of discussing the proposals for Indian Constitutional Reform set forth in the White Paper, I desire to avoid, as far as possible, discussing anything more

than the very broad outline that has been placed before us. Admittedly it is a very broad outline, a net work which is capable of a great deal of filling in as to detail, most of which can only be effected by time and experience in, and of, the working of the machinery which has been sketched for us by those who have devoted their energies to a colossal task in the past two or three years. Devotion, Sir, on the part of collaborators from India sitting in London, with equally able representatives from all political parties of the British Parliament, assisted by members of that great service, both from the India Office and from India, who up till now have had in their hands the executive reins of government of this great country, this vast conglomeration of races, castes and creeds. As I said, Sir, I am not going into the details of the results of their deliberations which are contained in the White Paper which are before us. That there are points of detail in the proposals of His Majesty's Government on which political opinion will be divided goes without saying. I would only ask for as dispassionate consideration as possible of the advance in Self-Government which is laid before the country in those proposals.

May I briefly make some historical reference to the gradual but successively rapid increase in the devolution of the powers of the Government of India to Indians, for Indians of which the White Paper marks what must be the penultimate stage. I will not go back further than the Minto-Morley reforms which gave to the country representation without responsibility, a continuance of that bureaucracy which had ruled the country with honesty and impartiality tempered by the criticism of their actions furnished by appointed representatives from non-official parties. In its time, as in the more spacious decades previous to it, that system laboured according to the limitations of the constitution for the benefit of India. That there were defects in that system, and sometimes radical defects, I should be the last to deny, but on the whole, the peoples of India, especially the masses were well governed and were contented. There followed the Montagu-Chelmsford reforms, a transitional stage, a half-way house, half responsibility with half representation, which, as Sir Abdur Rahim has so aptly said, in spite of the fears and doubts at its inception, as a whole worked amazingly well under difficult conditions. Admittedly this diarchy proved to be not an altogether satisfactory half-way house either to the Government or the governed. It had defects which have acted in the past decade as a continual goad to those who maintained that government by Indians for Indians was their political goal, regardless of the result of the immediate surrender of power by the trained servants of the Imperial Government to the more amateur hands of the indigenous politician. And I wish the House to realise that I am imputing no lack of capacity to the latter. They will be able to prove their capacity when their time comes. I am merely stating facts.

The British Raj, through its agents, the great Indian Civil Service, has been the friend, the "ma bap", of the toiling millions of India, and it will not be an easy task for the successors to it and to that service to maintain the standard that has been set. Responsibility for the right government of the country is to be taken over by the elected representatives of the people. It is not a light responsibility to be undertaken. Ministerial capacity is not born in every politician. Honourable Members on the Opposition Benches and those who might be on those Benches, had they not decided otherwise, have found it an easy matter to criticise the management of the Government machine. We do it from these seats when we



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consider it necessary. But without knowledge of the reason for and the effect of every cog and wheel in the machine an inexperienced engineer can create havoc and utterly smash the whole concern. We have now before us proposals which His Majesty's Government have decided upon after long discussions with representatives of what I believe to be the majority of Indian wisdom and of Indian state-craft from British India and the Indian States. These proposals aim at complete responsibility with safeguards, safeguards which have aroused so much controversy, but which, I maintain, are necessary in order that the new machine shall operate without serious accident to the machinery and to those for whom it shall work. Safeguards there must be in these days in all machinery as my Honourable friend, the Labour representative, will, I am sure, be the first to admit.

The whole world is now in a position where safeguards are necessary if stability is to be assured and maintained. Look to the West,—to Italy where a safeguard has arisen in the person of Mussolini,—to America where recent events have thrown up the man who has devised safeguards which have saved a great nation on the verge of a cataclysmal crisis—to Germany where it would seem that drastic safeguards have had to be enforced against a different but not less dangerous crisis. Look to the East—to China where the lack of safeguards has resulted in chaos and dismemberment. In this country the safeguards which are proposed are the props on which the country is going to stand until it is able, of its own volition, of its own construction, to produce equally sound and lasting supports which shall ensure its stability. Stability amongst the nations, stability which shall satisfy the investor, the manufacturer, and the labourer that his brains and his labour shall be protected against any external or internal upheaval. What is essential is an executive that shall govern, and govern with justice and impartiality, every soul beneath its sway, with the safeguard that if that executive shall fail to so govern, its Governor, the appointed representative of the Crown, shall take over the reins of government and govern. And let me remind Honourable Members that it is not so very long ago, only a matter of months, when owing to unskilful tending of the machine of Government and to the lack of, or the non-use of, the proper safeguards the Government of Great Britain, as represented by the Prime Minister, had to approach the Crown, His Majesty the King, with the plea that it, the Government, could no longer govern, with the result that for a fortnight, until the nation regained breathing time, and a responsible and capable government was found, the Crown itself took over charge and governed.

Sir, I have gone very carefully through the White Paper. There are many points which I do not consider are sufficiently clarified, there are in my opinion omissions of importance. There are various matters on which the European community will be dissatisfied—the safeguards themselves, financial and otherwise, the representation of the community in certain Provincial Assemblies and Legislative Councils and also in the Federal Assembly, and then, as Sir Abdur Rahim has pointed out, the financial implications of the new Constitution. The cost of the institution of the new Constitution throughout the land is going to be colossal. Where is the money to come from? There will be a source of fresh expenditure in the erection of new Legislatures, housing additional staff, cost of elections with the enormously increased franchise,—the cost of the

new democracy in this country is going to be enormous and Honourable Members and the tax-payers of this country should recognise that fact now.

As I have said, there are points which the European community is not satisfied about, for example, an examination of the classification in the schedules of exclusively Federal, exclusively Provincial, and Concurrent subjects has revealed several subjects which appear to us to require re-examination. We find more and more insistent the need of safeguards against the breakdown of the new Constitution, an event which from a variety of reasons cannot be put aside as an improbability, against mismanagement which is also a possibility, and also against the declared policy of what has been described as the only organised political party in the country, a policy which has been broadcasted as being for the repudiation of debt and expropriation of established interests, as being for revolution and destruction of the whole social structure of Society. And if these safeguards are not satisfactory and if they are not made, so far as possible, inviolable, how can the fears of minorities be allayed, their suspicions be dispelled and fairplay be assured to all communities and classes? We know that the proposals and safeguards put before us in the White Paper are drafts and only drafts and that they will be considered by the Joint Committee who will be at perfect liberty to amend, or to prune, or to discard any or all of them. Such Constitution, as that Joint Committee may evolve in their wisdom and judgment, must of necessity be very broad in character, capable of expansion and development as every new Constitution must be, but the safeguards have to be formulated. They have got to be laid down in black and white, for there will be no subsequent opportunity of altering them or enacting others. One may liken the new Constitution to a long series of sign posts along the high road of the nation's safe progress, pointing the way where safety lies, and the safeguards to those barriers set up to prevent minorities or any section of the body politic being pushed off that road where it should, and I hope will, have an equal right to travel with its fellow citizens. There are doubtless many decisions in the White Paper with which bodies of Indian opinion will not find themselves in entire agreement, but I do claim it is a great advance, an advance which would not have been within the bounds of imagination ten years ago, towards the goal of Indian desire. To make use of some of the words of the Introduction to the White Paper, if every endeavour is made by those responsible for working the Constitution, both the Governments and the governed, to approach the problems that will present themselves, and they will be many and difficult, in the spirit of partners in a common cause, in a common enterprise, then we may look forward to an advance to the ultimate goal and to a land of prosperity and a people blessed with an era of peace and contentment.

**Nawab Naharsingji Ishwarsingji** (Bombay Northern Division: Muhammadan Rural): Sir, the subject is so vast and the time at my disposal so short, that I must confine myself to only a few aspects of the question, which could be dealt with for hours together. I must at the outset say which could be dealt with for hours together. I must at the outset say that it is felt by persons of all shades of opinion that the scheme of reforms as proposed in the White Paper falls far short of the expectations of even the most moderate politician. The Dominion Status, in the real sense of the term, is as distant as ever. But when one remembers that the whole structure of the Constitution Act is based on two fundamental questions, i.e., All-India Federation, and the Communal Award, one must concede



[Nawab Naharsingji Ishwarsingji.]

that in the present state of things, any nation, who was alive to its sense of duty and responsibilities to the peoples of India, would be failing in its duty if it took a leap in the dark. So long as we have not composed our communal differences, so long as the peoples of British India and the States look upon each other with an eye of distrust and suspicion, so long we must remain content with slow and steady progress. Unless communal unity is achieved, unless the peoples of British India and the Rulers of the States imbibe into each other that confidence, that sense of security, which is so vital for the smooth running of the administration of such a vast country as India, I fail to see how we can raise our heads and assert that we are prepared for complete Responsible Government. Today Hindus are not prepared to admit the fair claims of Muhammadans. The Sikhs, the Backward Classes, the Europeans, the Indian Christians, the vested Interests and Labour, all these claim safeguards for the protection of their interests. And when Government have laid down safeguards in order that these very interests may be looked after, we make a grievance of them. So, Sir, the first essential thing to be done is to compose our differences and achieve unity so that Government could safely put the reins of Government in the hands of one united India.

Sir, once the Constitution Act comes into operation, once the different communities and the delegates of the States sit together in one House to solve the difficult problems of the administration of one united India, confidence is bound to follow, but till then it is better for the welfare of the different classes and communities themselves that the Governor General and the Governors of the Provinces have adequate powers to see that whole fabric does not come down at its inception.

We hear from all quarters that a glance at these safeguards, under the name of Special Responsibilities, would show that there was not a semblance of Responsibility in the scheme of Reforms proposed in the White Paper. But it must be admitted that this scheme of Reforms is a great advance on the present state of things. If Britain was only careful to send men of broad vision and liberal political outlook, men who knew India and Indians, men who were known for their sympathies for the needs and aspirations of Indians, as Governor Generals and Governors, and the Indian Ministers and the Legislatures in their turn so carried out their functions that the Governor General and the Governors had not to call their "Special Powers" into play, then a smooth running of the Constitution was assured. It all depended on how far the Governor General and the Governors, and the Indian Ministers and the Legislatures were inclined to work as two component parts of one machine, with knowledge that the success of one depended on the satisfactory working of the other.

Sir, what we notice is that after the Reforms of 1920-21, India is more divided. There are more frictions and differences; and narrow-mindedness is on the increase. In almost every province of India there is a conflict between the heart and the brain. Discipline, which was deep-rooted for centuries, has been undermined in a short period of twelve years. In the absence of discipline, sound common sense, broad-mindedness and spirit of compromise, success of any scheme of reforms could not be assured. But the general mass of the population of India is yet so very backward, the different interests in the country are so very complicated,

that unless sufficient safeguards are guaranteed, success of the reforms is a distant ideal. The powers gained by virtue of the reforms are to be exercised mostly over the rural areas, the population of which is agricultural and without any sense of appreciation. So, Sir, as I said above, it is essential to compose our differences, create mutual trust and goodwill, and sense of security and protection for every shade of interest and trust between the rulers and the ruled. It will be only then, Sir, that success will be assured.

The question of Federation is entirely new in the history of India. For centuries India has been divided into a number of compartments, so much so that there are today no less than about six hundred Ruling Princes in India. Add to this the very large percentage of Landholders, Jagirdars and Inamdars and nearly eighty per cent., of the rural population of British India. Then we find that though Federation is a very good ideal, in actual practice, the question is bound to be very complicated and confusing, and when considered in all its aspects, the structure of Federation appears to be unsuitable and unworkable for a country like India. But I do not desire to take long on this subject. I would only say that it may better be left to the Ruling Princes themselves to judge whether the scheme of Federation is acceptable to them or not. If they choose to enter the Federation, I see no harm in giving them all the safeguards they ask for. All the treaties, pledges and engagements between the Paramount Power and the Ruling Princes must be respected as words of honour. But if the Ruling Princes favour their entry into the Federation, they must incidentally guarantee the fundamental rights of their subjects, and their cadets, and bring their administration up to the standard and on the lines of British India. The reason is obvious. Their territory, though technically out of British India, is a part of India and not a distinct country. So, Sir, unless there is a harmonious working of the whole of India, the structure of Federation will be in danger before long and the result may be against the interests of the country, against the interests of Great Britain, and against the interests of the Ruling Princes themselves.

Sir, I find on a perusal of the White Paper that the Bombay Presidency is not to have a second Chamber. The question of establishing a second Chamber in that Presidency is of the utmost importance. There is a class of landed aristocracy scattered all over the Northern, the Southern and the Central Divisions of that Presidency. It pays nearly one-fifth of the total land-revenue of the Presidency. Very naturally, Sir, the representation of this class as such will be very meagre in the Provincial Council. I, therefore, suggest that the Bombay Presidency may be given a second Chamber. Since there will be no official Block in the Provincial Council, and since the wave of democratic feeling will be predominating in the Lower Chamber, it is essential that there should be a system of checks and balance to save the Province from precipitate legislation. I can think of no better means of effecting this than by the provision of a second Chamber; otherwise the conflict between destructive and constructive policies will be so great that it may ultimately result in a deadlock. Sir, there is only one other alternative, which is even more preferable to the scheme mentioned above. This important class may, I suggest, be taken out of the crowd and grouped into a separate entity.

Before I conclude, I shall be failing in my duty if I do not refer to a problem that is vexing the minds of an important class in British India, I mean, Sir, the landholders. I would not have ventured to raise this

[Nawab Naharsingji Ishwarsingji.]

question at this late stage if I had not found the assurance in the introduction to the White Paper itself that the proposals mentioned therein are not the last word on the subject. This class has stood by Government in all times. When other vested interests either stood aside or with ulterior motives played into the hands of people who were engaged in subversive activities, the landholders adhered to Government and silently helped them in the maintenance of Law and Order and the restoration of peace and tranquillity. They have always been the real backbone of Government.

Sir, No Government could boast of more faithful allies. Sir, this class has a stake in the country. They pay the largest revenue in the Government Treasury. Their unfailing and continuous support to Government and opposition to the unlawful activities of a section of the people have made them unpopular—so much so, that there is hardly any school of political thought in India which is prepared to espouse their cause. Till now, they have maintained their position. But, under the changed order of things after the introduction of the Constitution Act, their influence is bound to be slowly and steadily swept away. Sir, they have no big trumpets. It is only Government to whom they can look up for protection. When other interests were crying hoarse into the ears of Government, their faith in the justice of their cause has kept them silent. But, the result is very unfortunate. We find that the claims of the landholders have not been adequately safeguarded, not because Government were not sympathetic, but because they have not been put forth in their true perspective. Consequently, when every class and community has its representation increased as a result of the widening of the franchise and enlarging of the Legislatures, the representation of the landholders remains the same. It is said that with the widening of the franchise, their influence in the Provincial Councils will increase. But a study of the local conditions will show that it will be otherwise. I will say, that it is now up to Government to make provision for the maintenance of the privileges, and security of the rights and guarantee the future existence of a very humble, yet very important order in Indian society. Sir, I earnestly hope and trust that the Government of India as well as His Majesty's Government will extend their sympathetic consideration and support to the cause of this landed gentry of India while making the final framework and thereby still further secure the attachment to the British Government of those who have always stood firmly loyal and unaffected by the storm of political agitation raging round about them. I further venture to submit that it is in the best interests of Government as well as the country, that all persons, having a real stake in the country, should not only be made secure in their position and rights, but should be rendered more effective and powerful (Ironical cheers from Opposition Benches), so that, under the new Constitution, a stable and peaceful Government may be secured and the British connection may be maintained unimpaired, to the mutual advantage of India and Great Britain.

In conclusion, I pray for mutual trust between the rulers and the ruled, mutual goodwill between the sister communities and for the general advancement of the country—social, economical, moral and political.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Sir, I wish to trace back the history of political agitation in India since the Montagu-Chelmsford

Constitution came into existence. It is well-known to the House that a certain section of the people,—the most advanced, the most intellectual, the most brilliant among them—non-co-operated with that Constitution and started the non-co-operation movement. Sir, three years afterwards, however, the intellectual section of the Congress entered this Legislature as the Swaraj Party in order to help in the framing of a Constitution that would be acceptable to the people. We had, then, the Muddiman Committee's Report in which some of the brilliant members that are not present here in this House co-operated,—for example, Mr. Jinnah. Well, Sir, thereafter, a Diehard Secretary of State, Lord Birkenhead, gave it out that Indians did not know their own minds. They must frame a Constitution, they must say what they want, and then the British Government would decide what India will need. Well, it is well-known to this House and to the world at large what the Indian leaders wanted. They met at Lucknow, and they framed the well-known report known as the Nehru Report to which even liberal leaders like Sir Tej Bahadur Sapru were signatories. Well, the Nehru Report was framed by the advanced section of Indian leaders, but it could not be acceptable to the British Diehards. Then the Round Table Conferences came—one after the other, the third has been finished and a fourth has been foreshadowed in this White Paper that we are discussing. But at that First Round Table, Sir, the most intellectual section of the people, the Congress, were not allowed to participate. To the Second Round Table Conference, it was permitted to go under certain bans and certain conditions; and in the Third Round Table Conference, no men of Congress mentality even found a seat,—and we have now got this White Paper!! We have got this White Paper and what more could we expect?

**Mr. A. H. Ghuznavi** (Dacca cum Mymensingh: Muhammadan Rural): Will you kindly let us know what was the ban imposed on the Congress?

**Mr. B. Das:** I need not tell my Honourable friend, Mr. Ghuznavi, what was the brake that was applied at every stage on 1 P.M. Congress leaders and on advanced leaders in India so that they were prevented from giving the necessary help for the framing of the right Constitution for India. The very fact that this White Paper has come out from the Third Round Table Conference shows that the right mind of India was not reflected on it.

**An Honourable Member:** What was the threat?

**Mr. B. Das:** Sir, I do not wish to listen to the interjections of the minorities. I know what my Honourable friend, Sir Henry Gidney, and the so-called minority pact did at the Second Round Table Conference and why it was that the Second Round Table Conference became a failure. I also know the causes of the revolt of the minorities in alliance with the British die-hards, the Churchills, the Zetlands, the Lloyds that met at the Second Round Table Conference. Sir, we are discussing now how we can bring in sober and statesmanlike criticism on this White Paper so that it may induce the members of the Joint parliamentary Committee to frame a Constitution that would be acceptable to India. I must congratulate my Honourable friend, Sir Henry Gidney, because he persuaded his friends and managed to have Lord Irwin as the Chairman of a Committee whereby he secured the protection of the education of his community at the Third Round Table Conference and that is all.

[Mr. B. Das.]

that he needed. I would like to hear from him when he speaks that he and his community have identified their interests with the interests of Indians and that they feel equally with us. I read in today's paper that an Anglo-Indian lady member of the Punjab Council, Mrs. Shave, whilst speaking in the Punjab Council on this White Paper shed tears and said: "Why don't you all trust us? Have we no heart? Do we not feel the same as you?" I ask my Honourable friend, Sir Henry Gidney, instead of siding with the group—the European group—to which he belongs, to speak as one who has adopted India as his motherland,—not only he, but the successive generations of Anglo-Indians.

**Lieut.-Colonel Sir Henry Gidney** (Nominated Non-Official): Put your stethoscope to my heart and find out.

**Mr. B. Das:** Now, Sir, in 1929, when the Congress met in Lahore, there was a division. I have referred to this on previous occasions and I would like to refer to it again. There was a split in the camp. Some of the advanced section of Indian leaders wanted independence or substance of independence. We, who were as good Congressmen as they, said: "We will remain in the British Empire and we demand only the substance of Dominion Status." Sir, we parted company at the Lahore Congress and we came here. We came here for a substance of Dominion Status and in that we were encouraged by the then Viceroy, Lord Irwin, when he said that India would get Dominion Constitution and there will be certain safeguards. Those safeguards would be in the interests of India. Sir, that was Lord Irwin's statement and my leader, Sir Abdur Rahim, has also quoted the statement of the British Premier, the pledge that both the Houses of Parliament gave to the people of India. Sir, when we compare those pledges and those assurances with the draft proposals contained in this White Paper, we feel absolutely shocked and disappointed. This White Paper gives no Constitution at all; it only consists of myriads of safeguards, safeguards to the minorities, to the European community, to the European mercantile community, to the Services and to the British Government which happen also to be a minority in India.

Sir, if the British Government mean to give India a Constitution, let it remember the utterances of Lord Irwin and of the Prime Minister two years ago. They said that a Constitution should be so framed that it should have the substance of Dominion Status and the safeguards should be so framed that they would be in the interests of India. Then, Sir, there is not a single line anywhere in this White Paper that this Constitution will be an automatic Constitution. It does not say that even after five years or fifty years hence all these safeguards will automatically disappear and India will then have a Dominion Constitution as is the case with the British Dominions of Canada, Australia or South Africa. My friend, Mr. Gaya Prasad Singh, says that beggars cannot have Self-Government. Sir, I am not talking here as a beggar; I am talking here in the words of the British statesmen who say that India ought to be an equal partner in the British Commonwealth of Nations. If we are going to be equal partners in the British Commonwealth of Nations, are we going to be tied down to these myriads of safeguards from which there seems to be no chance of getting out unless some day the Secretary of State or the British Premier may think it fit to move another Constitution Bill in the House of Commons.

Sir, before I go into the details of the provisions of the White Paper, I would like to refer, first of all, to my own province Orissa. When the Secretary of State, Sir Samuel Hoare, announced the creation of the Orissa Province on the 24th December last, I declared that the Oriya people were grateful to the British Government for having righted a wrong which lasted for over 130 years of British rule. But, Sir, the trouble lay on the question of the boundaries of Orissa. We find the following foot-note on page 44:

"The boundaries of the new Province of Orissa will be in accordance with the recommendations of the Orissa Committee of 1932 (following the Chairman's recommendation where this differs from that of the two Members) except that the Vizagapatam Agency and the Parlakimedi and Jalandra Maliahs in the Ganjam Agency will remain in the Madras Presidency."

Sir, in the history of Committees and Commissions I have never seen the Government of India or the British Government going against the unanimous recommendations of a Committee appointed by the British Government or the Government of India. Sir, I cannot understand why the Secretary of State went against the unanimous decisions of the O'Donnell Committee and against the majority decision of that Committee about the inclusion of Parlakimedi. Sir, since this distressing news was announced, not only the Members of this House, but the Government of India and also the Secretary of State have been flooded with bunches of telegrams from Orissa. I myself have received a bunch of them, but I do not want to read them; I only want to tell the House about the intensity of feeling among the Oriya people. Already Members have seen in the press the interviews given by my Honourable friends, Mr. Phookun of this House and the Honourable Mr. Mehta of the other House, who were members of the O'Donnell Committee and who wrote the majority report about the inclusion of Parlakimedi in Orissa and also the unanimous recommendation for inclusion of Jaipur; and they have been staggered at the way their recommendations have been given the go-by.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): What about the telegrams from the Orissa Mussalmans which I handed over to the Honourable Member?

**Mr. B. Das:** I will deal with that. I am glad to find a certain awakening among the Oriya Mussalmans. I wish it were a genuine awakening on the part of the Mussalmans of Orissa. But it has been fostered by a certain outsider, a Mr. Fazal Huq, who paid a visit from Bengal to Orissa. They want 20 per cent. of the seats in the Orissa Council and some other safeguards. I wish to tell my Honourable friend, Sir Muhammad Yakub, that he and I entered this House on the same day; we have no communal trouble and communal quarrels in Orissa. Hindus and Muslims live in amity there; but if outside Muslim friends want to come and interfere . . . . .

**Maulvi Muhammad Shafee Daoodi** (Tirhut Division: Muhammadan): There will be trouble now if you are not generous enough.

**Mr. B. Das:** If outside Muslim friends want to interfere in our domestic matters, I assure them that I will give the Muslims the same consideration, the same treatment and the same friendship as my Muslim friends are giving to the Hindus in the North-West Frontier Province and in Sind.

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LEGISLATIVE ASSEMBLY.

[29TH MARCH 1933.]

**Sir Muhammad Yakub:** I have full confidence in my friend, Mr. Das, and that is why I did not take up the matter myself, but handed over the telegrams to my Honourable friend.

**Mr. B. Das:** I am very grateful to my Honourable friend for having confidence in me, and I can tell him on behalf of the Hindus and Muslims in Orissa that no Muslim, no minority will remain dissatisfied in Orissa. Their interest is our own.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. F. K. Shanmukham Chetty) in the Chair.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The following Honourable Members have intimated to the Chair that they do not desire to move their amendments:

Sardar Sant Singh, Mr. B. N. Misra, Maulvi Sayyid Murtuza Saheb Bahadur, Shaikh Sadiq Hasan, Mr. K. P. Thampan, Bhai Parma Nand, Mr. M. Maswood Ahmad, Mr. N. N. Anklesaria, and Mr. B. Rajaram Pandian.

In view of the importance of the subject and the desirability of allowing as many Honourable Members as possible to take part in the debate, the Chair would appeal to Honourable Members to impose voluntarily a reasonable time limit on their speeches.

**Mr. B. Das:** Sir, before the recess, I was indicating the great discontent and the intensity of feeling that prevail in Orissa over the announcement of the boundary of Orissa. Sir, the Orissa leaders, irrespective of caste, creed and community, have all gathered and met together and expressed their serious dissatisfaction with the boundary of our province and over which numerous telegrams have been sent. The Oriya feeling will be gauged if I just quote from John Redmond, who once said:

*"A healthy nation is as unconscious of its nationality as a healthy man is of his bones. But if you break a nation's nationality, it will think of nothing else but getting it set again ..... It will attend to no business, however vital, except the business of unification and liberation."*

While Honourable Members are thinking of getting a better Constitution for India, I am only thinking of unification and liberation from the clutches of sister provinces.

**An Honourable Member:** Bihar only.

**Mr. B. Das:** Bihar, Madras, and part of Bengal too. I would like to speak longer on the Orissa question, but it will do well if I sum up the demand of the Oriya people that has been ventilated in a statement which the leaders of Orissa are forwarding to the Government of India, and,

through them, to the British Houses of Parliament. Sir, the following is the Oriya nation's unanimous view on the boundary problem:

"While we may have different views with regard to the advance made by the Reforms adumbrated in the White Paper over the present Constitution, we are all unanimous in denouncing the proposal to create a truncated province with the present Orissa Division and a small area from Ganjam and C. P. We have been shocked to a man at the announcement of the boundaries of the proposed Orissa Province. We had fondly dreamed that our agitation during the last three decades for the re-unification of the dismembered Oriya tracts had borne fruit and that the area proposed by the Curzon-Risley Circular as early as 1903 would at least be taken into the new province. Far from satisfying ten millions of Oriyas, the Government have evidently succumbed to the persistent opposition of the Madras Government to the Oriya claim. The exclusion of Jeypore extending over 11,000 square miles cannot be defended on any conceivable ground. The O'Donnell Committee appointed by the Government of India unanimously recommended its inclusion, the peoples of Jeypore have unanimously urged its inclusion. The Raja Saheb of Jeypore has been one of the acknowledged leaders of the Oriya movement during our long period of struggle, but the Government have thought it fit to exclude this area on grounds not obvious to us.

Exclusion of Parlakimedi comes as the rudest shock to the Raja Saheb, who was invited by the Government to represent the Oriyas at the First Round Table Conference and to whose initiative at the Conference the formation of a separate province of Orissa is mainly due and who also represented the Oriyas in the O'Donnell Committee and who has been a loyal and sincere supporter of the Government. It is highly disappointing that the conclusion arrived at by the successive official Committees of Enquiry have been ignored: the idea of exclusion of Parlakimedi has created a deep resentment and strong dissatisfaction among the Oriyas.

We feel that grave injustice and wrong have been done to the Oriyas. The wishes of the people, their racial and linguistic affinities, administrative convenience, economic interests, trade and communications, geographical contiguity and history and culture all demand the inclusion of Parlakimedi in the province of Orissa.

The elimination of Singhbhum and Phuljhar tracts is no less surprising. The question of Midnapore has been lost sight of.

We are sure, however, that the intensity of feeling among the Oriyas should not be ignored and the Joint Parliamentary Committee will redress the wrong done to the ten millions of Oriya people."

Sir, without Parlakimedi if we have a separate province of Orissa, it will be, as my friend, Mr. K. P. Thampan, once said like playing Hamlet without Hamlet, as the Raja of Parlakimedi happens to be the premier Prince of Orissa, and, without his Estate, I cannot conceive of an Oriya province. Sir, I would just remind the House of a well-known passage from Lord Curzon, while speaking in the House of Lords, who once said that "If the Oriyas were an agitating people, which they are not, they would soon make their protest heard".

Sir, when Orissa was attached to Bihar, and East Bengal and West Bengal were united in 1912, Lord Curzon spoke of the Oriya demand for unification to the above effect. I do not know how I can ask my people to agitate and make our demand felt. I can ask them to organise black shirts, but I will wait for the present.

Sir, when the White Paper was published on the 18th of March, and the attenuated boundary for Orissa was announced, the Orissa leaders, and the Orissa Press wanted it to be observed as a black day for the province. I hope that the British Government and the Government of India will realise the disastrous effect which this action of the Secretary of State has produced on the Oriya people and see that justice is done to us.

Sir, I would like to make a few observations on the White Paper about the so-called safeguards that have been provided in it. As I said before, it is all safeguards, and nothing but safeguards. I cannot understand why there is so much suspiciousness in the mind of the British Government.

[Mr. B. Das.]

Why they think that without a non-voted Financial Adviser the administration of the Federal Government cannot run? Why do they saddle the Governor General with three Counsellors whose salaries are to be non-voted, and also a Financial Adviser, whose salary is not only to be non-voted, but whose staff, the *chaprassis*, clerks, etc., all are to become non-voted. If one looks into the financial aspect of the new Constitution dealt with in the White Paper, he will find that 80 per cent. of the finances of the new Federal Government is to be non-voted. Then, what is the transfer of responsibility? Even in Finance there is only to be a transfer of 20 per cent. responsibility to the so-called responsible Ministers. I can summarise the result of the White Paper in one sentence, and that is, that in every respect it is going to transfer only 20 per cent. of responsibility in all directions, and that has been spoken of as Provincial Autonomy in the White Paper. But where is provincial autonomy when the finances are being controlled by the Financial Adviser of the Governor General? Unless the cost of defence is reduced, the provinces cannot breathe freely, nor can they think of an autonomous province, nor can they develop themselves; and yet defence remains a non-voted subject and will for ever remain so; and there is no automatic provision made in the White Paper whereby the Army expenditure can be reduced. A few days ago, I challenged these Round Tablers to tell us how they laid stress upon this point before the Round Table Conference; and I said that excepting Sir Purshotamdas Thakurdas none of them had the courage to demand or to lay stress upon this reduction of the cost of defence. Most probably these gentlemen, belonging as they did to the liberal school of thought, were afraid that if they demanded a reduction in the cost of defence, probably they might be applying a brake to the reforms and there will be no chance of getting the sort of Constitution that they were expecting and by which they thought that posterity will remember their names. But, instead of posterity remembering them, as things are going to happen, even my very generation is going to curse them.

One of the funny things that I see is that of Baluchistan—not only the Political Department becomes non-voted and is to be administered by a Counsellor, but the financial provision for Baluchistan becomes completely non-voted: at present this House still looks into the administration of Baluchistan. If that is the dose of reforms that the people of Baluchistan are getting, then I pity those who pleaded that Baluchistan should be made a province under the new Constitution.

My leader, Sir Abdur Rahim, has already referred to the Statutory Railway Board. My own view in the matter is this. I do not mind the railways being administered by a Statutory body but that Statute should be a Statute of Delhi and not a Statute of Westminster. It is sheer deceit; it is a sheer insult to the genius of India to provide in this White Paper that the Statute that will govern the Statutory body of Railways should be a Statute of Whitehall. I wonder how my friends, the Round Tablers, subscribed to that provision. I am surprised that they subscribed to that principle.

**Mr. A. H. Ghuznavi:** Who did?

**Mr. B. Das:** There is a provision that the Reserve Bank should be started immediately and that the Reserve Bank should come by an Act of this House. If the Reserve Bank can come by an Act of the Indian

Legislature, why not a Statutory body for Railways come by an Act of the Indian Legislature? Let the Constitution Bill provide . . . . .

**Mr. A. H. Ghuznavi:** Who subscribed to the view that the Statutory Railway Board should come by an Act of Parliament?

**Mr. B. Das:** Probably I have misunderstood: when my friend, Mr. Ghuznavi, explains that he strongly condemns the principle that is laid down in the White Paper that the Railway Board should become a Statutory body by a Statute of Whitehall, then I will be satisfied.

**Mr. A. H. Ghuznavi:** I asked, who subscribed to that view? You said the Round Tablers did.

**Mr. B. Das:** I am glad to have at least this confession that the Round Tablers did not subscribe to that view. I was spending a few days in London while the Round Table Conference was sitting and some of my friends in that Conference told me: "You are getting this new Constitution for India, and recruitment for higher services hereafter will for ever be done from India." I was given to understand by very many friends and very responsible friends that there will be no further recruitment for these services in future in England. But what does the White paper say? Five years after the new Constitution, a Committee will be appointed to consider if the Imperial Services, the steel frame services, like the police, engineering and civil service, should be recruited in the same proportions, or in different proportions. After the new Constitution in 1919, we were told that ten years thence the new reforms would come; and now we are told that five or six years hence in 1936 or 1938 something might happen. This means a further freedom granted to the services for a number of years—one does not know for how many years. All this shows that the British Government and the Secretary of State do not mean that there should be any transfer of responsibility from that side to this side.

Now, people talk of Federation. How can there be a Federation when there are such uncongenial partners, the British Indians on the one side and the Indian Princes on the other? In 1931, when we were discussing the report of the First Round Table Conference, I stated: "Who are these Princes? Why are they coming? Are they coming to the Federation as mere ornaments only to fill the picture, or are they coming to help British India to help the whole of India to advance in the direction of responsibility and democracy?" Since then, Sir, in the last sitting of the Chamber of Princes, we find that the Princes have put forward their eighteen points to safeguard their rights and privileges. We had fourteen points before this from Mr. Jinnah formulating the Muslim Demand which, I am glad, my Muhammadan friends have secured. But now the Princes have taken a lesson from my Muhammadan brothers and they want 18 points and, if Government do not give them these 18 points soon, they will bargain for more and it may go up to 25 or 50 points next year. How can these two elements, democracy and autocracy, coalesce when the Princes talk in terms of paramountcy and sovereignty, and what not? There is another aspect to consider. If the Princes at all come in, they are going to have effective control in our affairs. For instance, they will control the customs tariff and the administration of the customs revenue; yet we cannot talk anything about their internal affairs; and they are still bargaining so much,



[Mr. B. Das.]

that I feel that there will be no Federation. Everybody knows that when the Princes were first seduced to come into the Federation, they were told that there will be a certain transfer of sovereignty to the provinces and at the Centre, and that the Princes will share in that transfer of sovereignty and come and sit with us in the same Federal House. Now, the whole trouble is that the Princes find that in the Federal Assembly under the Federal Constitution no sovereignty has been conceded and that is why the Princes are demurring. They are not going to join the Federation. I want the British House of Commons and the Joint Parliamentary Committee to take note of it, and say whether it is not a fact that the Government of India and the India Office are applying compulsion on these Princes to join the Federation . . . .

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): No, no.

**Mr. B. Das:** I am glad that my friend, Diwan Bahadur Ramaswami Mudaliar, knows the secrets of the Government of India and the India Office . . . . .

**Diwan Bahadur A. Ramaswami Mudaliar:** It has been expressly denied, Sir. My friend may repeat it as many times as he can.

**Mr. B. Das:** I do not accept it unless it is denied by the Leader of the House here and by Sir Samuel Hoare on the floor of the British House of Commons . . . . .

**Diwan Bahadur A. Ramaswami Mudaliar:** It was denied by Sir Samuel Hoare in the British House of Commons.

**Mr. B. Das:** I still lay this charge that they are applying compulsion or pressure on the Princes, and that is why the Princes demur to come into the Federation. Personally, Sir, I do not want the Princes to come into the Federation. The Princes want their pound of flesh, but I want them to remember that it is not the British Government and the Government of India alone who can give them everything. The British Parliament exists. I hope the British Parliament and the British people would rise to the occasion and well might they say like Portia to the Princes:

“Take your pound of flesh of British India,  
Shed not one drop of democracy,  
Demand not Paramountcy, Suzerainty or Sovereignty.”

Sir, will the British lion rouse itself and lash its tail and say to these princes “Enough” and that it cannot and will not tolerate autocracy, no bargaining at the cost of humanity?

**Sir Muhammad Yakub:** Sir, in rising to speak on the White Paper, I feel like a traveller in a thick wood without knowing in what direction the destination lies. I have no doubt that the framers of a democratic Constitution for India are faced with a gigantic task having no parallel in the history of the world. If any tribunal or any individual were to take upon himself the task of framing one Constitution for the whole of Europe, satisfactory to all the different communities in different countries

it would be considered as aiming at an impossibility. Yet since the last six years an effort is being made to satisfy the different classes and communities in India, having different interests, and traditions and more divided among themselves than the people of different countries of Europe with one Constitution. Then, again, the impossibility becomes more paradoxical when we find that democracy is being wedded with an autocracy in order to produce this novel Constitution. If I am not at all hopeless of the task, it is because I consider the White Paper merely a “writing on a slate”, which, according to the Secretary of State himself, could be washed away in order to produce an altogether different structure.

In 1920, when the present Constitution was given a definite shape by that far-sighted and sincere supporter of India's aspirations, the late Mr. Montagu, it was never contemplated that, on the lapse of the statutory period of ten years, India's further advance would be made dependent on the Princes joining an All-India Federation. At this stage I want to make it quite clear that I consider the Indian States as our great national assets and their preservation and the maintenance of their rights and prestige must be our greatest concern. Whether the Princes should join the Federation or not is a matter entirely for their Highnesses to decide, but, as one of the representatives of the people of British India, I must make it quite clear that we are as keen for the preservation of our rights as the Indian Princes are of theirs, and we on our part would not be prepared to accept any Constitution which might be thought to endanger the unity of British India or those positive advantages which are derived from a uniform body of the law and administrative practice. The White Paper does not give us any clear guidance as to the functions of the representatives of the Indian States in the Federal Legislature. We ought to be satisfied that these representatives will have no right to discuss or vote in matters relating purely to administration of British India and that their functions will only include such Federal subjects as are common both to British India and Indian States. Then, again, we will not be prepared to accept any Weightage to the Indian States, in the Federal Legislature, which would tend to reduce the majority of the British Indian representatives into a minority or even to an equality, or impair in any way their position as a deciding factor in the affairs of British India.

A great deal of criticism has been levelled against the special powers vested in the Governor General and the Governors of the Provinces. But, before disparaging the safeguards, if we try to introspect our own position and bear before our mind many of the tragic stories of communal warfare, terrorist outrages and social propaganda, repudiating debts, and destructive political programmes, we will be convinced that we are responsible for many of the safeguards in the Paper. And, again, when the Federal scheme comes into practice, if we create any extenuating conditions in the country, it would endanger the public peace. It will again be that the responsibility of putting into motion the machinery of safeguards will fall on our heads and we shall have to thank our own destructive politics and hard instinct. Democracy, in the sense in which it is generally understood in Europe, is, in my opinion, for the present, altogether outside the orbit of the Indian Constitution. You cannot endanger the very existence of administration in this country by introducing, all of a sudden, measures which would place certain communities and certain classes totally at the mercy of other communities. I do not propose to introduce



[Sir Muhammad Yakub.]

controversial matters into this debate. We are all familiar with the conditions prevailing in India. The presence of Muslim States on its North-Western Frontier, and that of Sino-Buddhist States on its North-Eastern Frontier will always have violent re-action on the internal and external policy of the country and proves the necessity of safeguards and British connection.

The Mussalmans consider democracy as their national heritage. We were the first to introduce the principles of equality, liberty and fraternity into the domain of the State ethics and were always guided by these principles in the art of government. But self-preservation is the first law of nature and I cannot object to these special powers being vested in the Governor General and the Governors of the provinces, in order to protect the democracy from degenerating itself into rank communalism; and the greater the powers which the Governor General and the Governors have to control, the larger their special powers must be. However, there are certain powers conferred upon the Governor General and Governors which smack of too much of distrust of the Indians. While I cannot deny the vesting of the emergency powers in the Governor General and the Governors, I see no reason why a dictatorial position should be bestowed upon them, such as the proposed provisions giving them too vast a latitude to ignore the Legislature and the public opinion in framing laws. I also do

not find any justification for extremely vast powers vested in the Governor General and the Governors in the name of financial safeguards. Nor can the proposal of forming a Statutory Railway Board be allowed to pass unchallenged.

The next point which, according to my humble judgment, is of the utmost importance for my community, is the question of services. The life and death of the Muslims in India depends upon their share in the administration of the country. Although for the present, appointments generally would remain in the hands of the Government, experience has fully established that no Governor can go against the wishes of his Ministers and the heads of Departments in the matter of appointments, and unless statutory provisions are made to secure a definite share of services for Muhammadans, their position can never be considered as secure. The omission in the White Paper to give an indication in this direction is extremely disappointing. In the same way, a statutory provision for the share of the Mussalmans in the Cabinets of the country is of utmost importance.

I realise that for the present the question of the vesting of residuary powers does not arise, but a time will come when this period of transition will come to an end and it is a matter of great disappointment that there is no indication in the White Paper on this point.

**An Honourable Member:** What is that period of transition?

**Sir Muhammad Yakub:** I say there is no indication of that in the White Paper. It is in your hands and in my hands. I would strongly submit that the Constitution must provide for the transfer of residuary powers in the States when full Dominion Status is established in India.

Coming to the proportion of the Muslim representation in the Federal Legislature, I find that the decision of the Government on communal representation is modified inasmuch as the White Paper does not provide

for the reservation of seats for the Mussalmans in the quota of the Indian States. Our rights cannot be fully safeguarded unless we are guaranteed at least the same proportion of the Mussalmans amongst the representatives of Indian States as we are guaranteed as regards the representatives of British India.

Experience compels me to modify my views as regards the method of representation for the Muslims and I am compelled to come to the conclusion that separate electorates must, for the present, form the principle of the representation of the Mussalmans in all the elective bodies, and therefore, whatever may be the electorate for the Upper Chambers, I would insist upon the necessity of providing separate electorates for my community.

Coming to the question of franchise, I must repeat what I said in my note appended to the report of the Indian Franchise Committee as regards the female franchise. I see no reason why different qualifications should be fixed for women and why a wife should have a right of vote if her husband possesses the right under the property qualifications. I am fully prepared to give to women an equal status with men in the matter of franchise, but there can be no justification for creating artificial and extraneous qualifications for them. As a matter of fact, the women themselves have not asked for any such differential qualifications. I was, therefore, disappointed to find that women have been given a right to vote if their husbands are in possession of property qualifications required.

Every student of English Constitutional History is familiar that the English Constitution is a plant of slow growth, and likewise we are seeing that our Constitution is developing slowly along with our political advancement. Since the days of Lord Ripon, they are following one aim of giving responsibility to the people of India in the administration of their country. Our hopes of success and expedition of responsible reforms are greatly strengthened when we see that here in India our first pilot will be Lord Willingdon, whose sympathy with Indian aspirations is appreciated by every school of thought and whose recent experience of a Dominion Government will be a great asset to the success of our cause. And when we see beyond India the personality of Lord Irwin in the British Cabinet, it makes us more hopeful in the success of our cause. Let us not, therefore, allow the feeling of pessimism to pervade our minds. It will not be wise on our part to reject the hand of co-operation extended by the British Government. Let us try to work the new Constitution, with necessary modifications, and at the same time we should continue our efforts to remove the restrictions which impede our political growth.

One word more and I have done. The chief object of this debate, as I understand, is to create an accumulative effect of our opinion and criticism on the Joint Parliamentary Committee and the British Parliament. Let us not, therefore, spoil the effect by going into lobby on this debate.

**Bhai Parma Nand** (Ambala Division: Non-Muhammadan): Sir, I had given notice of an amendment, but following your suggestion to Members who had tabled amendments, I have thought it advisable to give up the moving of that amendment. I would, therefore, express my views in general and also on the subject which I have put in my amendment.

[Bhai Parma Nand.]

Sir, in his very eloquent and able speech, Sir Abdur Rahim, the Leader of the Independent Party, referred to the share of Muslims in the services of the Government of the country. My Honourable friend, Sir Muhammad Yakub, also laid stress on that point and also on the share of Muslims in the representation of Indian States to the Federal Assembly. It would be better for me if I quote the passage in Sir Abdur Rahim's speech where reference was made to the subject. He said this:

"I am afraid, I have taken up a considerable portion of the time of the House; but there is one other important feature in the proposal which I must point out in connection with the services. We know in this House and we are reminded of it constantly that the question of claims by different communities with respect to the services causes an amount of wrangling and ill feeling in the Legislature out of all proportion to its importance. I searched the proposals to find out some formula for this, but there is none; and let me assure the Government of India that this omission has caused a great deal of misgiving in the mind of the Muhammadan community generally, and, I believe, in other minority communities as well."

The main question of representation on communal lines has been settled by the White Paper and, in addition to that, now there comes another fresh demand that a similar share in the representation of Indian States on strict communal lines should have been also assigned to the Muslim Community in it. It is not yet quite settled whether the Indian States are going to join the Federation or not; neither it is settled how much they will get and in what proportion it will be divided among themselves. This is one. Then, there is the demand for a communal formula for the distribution of a share in the public services of the country. I would say, Sir, that we were already feeling aggrieved at the spirit of communalism that has been displayed in the Communal Award proper as well as in that portion of the Award which finds its reference in the White Paper. But, our friends, the Muslims are not satisfied with that. They want to go several steps further and want to get their communal demands satisfied in other departments as well. I think it is my duty at this juncture to tell the Government in order to have it conveyed to His Majesty's Government what we, the Hindus of India, feel on this matter of communal representation and the communal award which has been issued in two parts, first, the Communal Award proper, and, the second, that portion of the Communal Award which relates to the allocation of seats to the various communities in the White Paper.

It has been professed so very often that British Government are pledged to establish responsible self-government on the lines of Dominion Constitution in this country. If the Government are really sincere and if they believe in the sanctity of their pledges, I think it is most unfair on their part to introduce, as if by the backdoor, a system of franchise which is directly destructive of democracy and nationalism and is quite incompatible with the promised Constitution. The award, however, very clearly shows that this has been given in the interest of communalism. By issuing this, the Government have placed a premium on communalism and it seems that they have decided to give India a Constitution which is far worse, more communal and less democratic than even the Constitution that was proposed by the Statutory Commission. I read somewhere that the Communal Award in two portions has practically supplied the frame work for the new Constitution and the Government have made their Constitution to bend and twist and suit itself to the Award rather than the Award to the Constitution. There is another thing which I want this Honourable House to note, and it is this, that while before giving the

Communal Award proper, the communal problem was kept an open issue for a very long time, even in the Round Table Conferences opinions were invited and discussions were held on that point by different parties concerned. This award, that has come to us through the White Paper, has been stealthily issued and it has not got even the merit of being openly discussed by the people. It is simply an arbitrary measure of His Majesty's Government issued in an unexpected and sudden manner.

**An Honourable Member:** We have been expecting it for a long time.

**Bhai Parma Nand:** Yes, but not in this shape. My Honourable friend, Mr. Ramaswami Mudaliar, said the other day in his speech that the Communal Award and Federation were the two basic principles of the new Constitution and that the new Constitution would not stand without them. I am sorry I cannot agree with my friend, as I believe that various constitutions had been proposed when there was no trace of the Communal Award yet. I would take the different schemes of the proposed Constitutions one by one and will try to show to this Honourable House the dangerous position in which we have been placed by this new award of His Majesty's Government.

In the first place I would refer to the League of Nations' plan. There is a general scheme of settlement of the minorities question laid down for us by the Minorities Committee of the League of Nations of which India is a member. This Minorities Committee of the League of Nations discussed the problem of minorities as they were found in the countries of Europe; and they have come to certain conclusions on that subject. Their conclusions are that the minority in a country is entitled to three important general rights. One is full and complete protection of life and property and free exercise of their creed, religion or belief, provided that its practice is not inconsistent with public order or public morals. The second right is equality of all nationals before the law and in the matter of civil and political rights. Thirdly, there is the obligation to impose no restrictions on the free use of any language in private intercourse, in religion, in the press and in public meetings or in publications of any kind. These are the rights on which are based the minorities treaties which are described by Mr. Henderson as being part of the public law of Europe and consequently of the world. I want in this connection to add that the speeches that were made by the representatives of the various countries in that Minorities Committee are in perfect unanimity with the view which was clearly expressed by Sir Austen Chamberlain, the representative of the British Government. Sir Austen said:

"It was certainly not the intention of those who had devised the system of minorities protection to establish in the midst of a nation, a community which would remain permanently estranged from national life. The object of the Minorities Treaties was to secure to the minorities that measure of protection and justice which would gradually prepare them to merge in the great national community to which they belonged."

This was the one general, natural and national plan of Government that had been settled by the League of Nations. The second Constitution was the one which was proposed by the Central Indian Committee for us. They say in their report in para. 129 as follows:

"Except in the case of Europeans to whom we would concede separate electorates of their own on account of the language difficulty already mentioned, we propose that the seats allotted to the other communities and to Labour and women should be contested in joint electorates."

[Bhai Parma Nand.]

The Central Indian Committee, having proposed joint electorate for the Hindus and Muslims, seem to have been very liberal in allotting seats to minority communities. Fixing the total number at 273 for the Central Assembly, they have assigned 104 seats to Hindus, 12 to the Depressed Classes and 79 to Muslims, 17 to Europeans, three to Anglo-Indians and three to Christians, while reserving 28 seats for Landholders, Commerce, Labour and Women.

Now, there is the third scheme of Constitution which was laid down by the Simon Commission in para. 180 of Volume II. This scheme is, in my opinion, by far the best, the most fair and worthy of preference to all the other schemes that have come before us. While recommending separate communal electorates for the Provincial Councils, they have proposed for the Federal Assembly the indirect method of election on the principle of proportional representation.

**An Honourable Member:** Do you abide by that?

**Bhai Parma Nand:** Yes, I do. I think the best thing I can do is to quote the whole scheme in the words of the Commission themselves. They say:

"The second feature of our proposal, to which we attach very great importance, is the use by the Provincial Councils of the method of proportional representation in selecting members of the Federal Assembly. By this means, while securing adequate protection for all minorities"—*let it be noted that, in their opinion, this secures adequate protection for all minorities*—"we are able to get rid of specific provisions for separate communal representation in the Assembly."

(Hear, hear.)

This clearly shows that the Simon Commission were opposed to having separate communal representation in the Federal Assembly.

"Take, for example, the Muhammadans."

I am quoting the words of the Commission:

"We have already said that, in the absence of agreement between the two major communities, separate representation for Muslims in the Provincial Councils must continue and an adequate number of provincial seats must be guaranteed to them."

In the provincial Councils they have this separate representation and the guaranteeing of special seats:

"It will, therefore, be open to the Muslim Members of the Provincial Councils to secure that a proper proportion of Muslims is returned to represent the provinces in the Federal Assembly. . . . At the same time, the communal complexion of the provincial delegation is not absolutely fixed, for it is one of the advantages of the system of proportional representation that there are marginal seats the occupants of which are likely to be returned by the votes of members of more than one community. . . . In either event, whether the voting in the Council is strictly on communal lines or not, the Members returned to the Federal Assembly will all be the choice of Provincial Councils as a whole. They will be sent to the Centre to serve the general interests of the province and they will have a new opportunity of learning the benefits of co-operation; however deep and wide communal divisions may remain, the Constitution of the Federal Assembly will not have to provide for them by ear-marking seats or classifying constituencies. This we regard as a great gain and hopeful development."

I would ask the House, Sir, to mark the words:

"and they will have a new opportunity of learning the benefits of co-operation", in the extract I have just given above.

Sir, this is the spirit of the recommendations of the Simon Commission with regard to the representation in the Federal Assembly. It was on the assumption that the Provincial Councils were constituted on strictly communal lines and the electors in the Provincial Councils would give priority to candidates of their own community, that they gave the following estimate of seats in the Federal Assembly as divided among different communities—Non-Muslims 50 per cent, Depressed Classes 10 per cent, Muhammadans 30 per cent, Sikhs 2 per cent, Indian Christians 1 per cent, Europeans 5 per cent, besides which two per cent. were to be given to the Anglo-Indian community by nomination.

The fourth scheme was proposed by the Government of India in their Despatch. They recommended a maximum strength of 200 seats for the Federal Assembly, and they apportioned those seats on the existing ratio. They gave the revised and existing distribution of seats in the following manner:

(I want these words to be marked: "*the existing ratio of the Federal Assembly to be maintained, and the number to be increased accordingly*").

The existing general seats were 90. Their revised general seats were to be 145. Non-Muslim seats were to be raised from 50 to 79; Muhammadan seats from 30 to 50, Sikh seats from 2 to 6, European seats from 8 to 13, 3 for N.-W. F. Province, one for Coorg and one for Baluchistan. It is a surprising fact that His Majesty's Government, while issuing the Award and making a fresh allocation of seats, have completely disregarded all these proposals, including that of the Government of India as well!!

Now I come to the discussions and the shape which this question assumed in the Round Table Conferences in London. In the First Round Table Conference, a Minorities' Committee was specially appointed for the settlement of the communal problem. It was admitted by this Committee that a system of joint free electorates was, in the abstract, most consistent with democratic principles. But there was a real danger that under such a system the representation secured by the minorities would be inadequate. Then there came the claim for communal representation and for a fixed proportion of seats. It was also urged that the number of seats reserved for a minority community should in no case be less than its proportion in the population. This of course is admitted, that if there is any rule that can justify separate representation and the fixing of a proportion for any community that insists on separate representation, the only way to settle the question is to give them seats according to their ratio in the population.

**Sir Muhammad Yakub:** Will the Honourable Member accept the same thing for the Punjab and Sind?

**Bhai Parma Nand:** Well, if this principle is extended to the whole of India, I would certainly accept it, Sir. (Hear, hear.) (Applause.)

**Maulvi Muhammad Shafee Daoodi:** Then, why have the Hindus and the Sikhs in the Punjab, the Frontier Province and in Sind objected?

**Bhai Parma Nand:** Well, I have got my own views. Now, turning to my point, out of the three methods, nomination was unanimously deprecated. With regard to joint electorates with reservation of seats,

[Bhai Parmu Nand.]

doubts were expressed that whilst such a system might secure the representation of minorities, it provided no guarantee that the representation would be genuine. But that it might, in its working, mean the nomination or in any event the election of the minority representatives by the majority community. It was pointed out that this was in fact only a form of communal representation and had, in practice, all the objections to the more direct form of communal electorates. The only one method which was accepted generally was separate electorates, although it was suggested that a portion of seats, say 80 or 90 per cent. should be so assigned and the rest be filled by open election. But this proposal too did not find acceptance.

It is needless for me to say that the Hindus have all along stood for pure and genuine democracy, undefiled by the devices of communal representation for which there was no parallel or precedent in any civilised State in the world (Hear, hear) and it was the Muslims who demanded separate representation, a separate electorate, the reservation of seats and preferential weightage; not only in the Legislatures, Sir, but in all branches of the public service,—that is, in the Army, in Railways, in Posts and Telegraphs and even in schools. And this point which I brought out was very well proved today when my Honourable friend, the Leader of the Independent Party, and my Honourable friend, Sir Muhammad Yakub, expressed to this House their own view also and urged the same thing, namely, that there should be an adequate representation for Muslims in the services and that this should have been put down in the form of a formula in the White Paper. It was in reference to all these communal claims that Mr. Ramsay MacDonald, as President of the Minorities Committee, said:

"The evil of communal electorates has assumed its most dangerous form and proportion in India where different communities and minorities are out to claim that the Legislature is to represent not regions, but religions, not areas or interests, but castes and creeds, by a strange electoral system based on the grouping of voters by religion in separate communal electorates."

And, then, he illustrated this point by quoting a few extracts from his speech which he delivered in the House of Commons and I do not think I will be going out of my way if I give these quotations to this Honourable House. Mr. Ramsay MacDonald explained the position, which he had noticed in the Minorities Committee, in the House of Commons in the following words:

"It is a very curious problem and if the members who are interested in these constitutional and political points care to read carefully the Minorities' Committee's report, I promise them one of the most fascinatingly interesting studies which they have undertaken. You build up a Legislature as this is built up, by Constituencies: Voting in constituencies is not to take place and cannot at the moment take place in the way that voting in our constituencies takes place where you might have an aristocrat as one candidate and a working man as another. You would have our constituencies divided up into sections with a certain number of working class constituencies where nobody but working men can run as candidates; a certain number of, say, Church of England constituencies where nobody but the communicating members of the Church of England could run until you filled the 100 per cent. of your constituencies in this way. Then, before any election took place, it would be perfectly certain that the Church of England would have, say, 50 per cent. of the seats, working class, say, 25 per cent. and so on.

Another problem that faces us from that point of view is if your Legislature is to be composed in these water-tight compartments, these community-tight compartments, whom are you going to appoint your executive? The claim is put that the executive, that is, the Administration and the Cabinet shall also be divided into water-tight

compartments. If any constituency is to be ear-marked as to community or interest, there will be no room left for the growth of what we consider to be purely political organisation which would comprehend all communities, all classes, all creeds and conditions of faith. This is one of the problems which has to be faced, because if India is going to develop a robust political life, there must be room for national political parties based upon conception of India's interest and not upon conceptions regarding the well-being of any field that is smaller or less comprehensive than the whole of India."

Now, Sir, this is that the Prime Minister said about the system of communal representation as was discussed in the Minorities Sub-Committee. He referred to two more things, and referring to joint electorates he said:

"Then there is a modified proposal. A proposal is made that there should not be communal constituencies with a communal register, but that there should be a common register in the constituencies, but a certain percentage of representation should be guaranteed to certain communities. It is the first proposal in a somewhat more attractive democratic form, but still is essentially the same."

And, lastly, with regard to the principle of weightage, he said:

"It is very difficult to convince these people that if you give one community weightage, you cannot create weightage out of nothing, you have to take it from somebody else; when they discover that they become confused indeed and find that they are up against a brick-wall."

Sir, I have given a long quotation from the speech of the Prime Minister. This speech has become a classic with us and we would not be tired of quoting it again and again. However, we find a change has come over in the Prime Minister in the Second Round Table Conference and the same Mr. Ramsay MacDonald addressed the delegates of the Second Round Table Conference in a different tune in his final speech. This is how he summed up:

"There is still difference of opinion, for instance, as to the composition and powers of the Federal Legislature and I regret that owing to the absence of settlement of the key question (now he calls it a key question which he had been deprecating all along in his speech in the Minorities Sub-Committee and also in the House of Commons) of how to safeguard the minorities under a responsible Central Government, the Conference has been unable to discuss effectively the nature of the Federal Executive and its relationship with the Legislature.

We must all, however, realise that there stands in the way of progress whether in the Provinces or in the Centre that formidable obstacle, the communal deadlock. I have never concealed from you my conviction that this is above all others a problem for you to settle by agreement amongst yourselves; the first of the privileges and the burdens of self-governing peoples is to agree how the democratic principle of representation is to be applied; in other words, who are to be represented and how it is to be done?"

This principle has been altogether disregarded by His Majesty's Government in the White Paper. Now, Sir, this is the view and, indeed, the question will be put—who is to blame for this disagreement? I cannot blame anybody. It is not for me to say, but I would quote the words of the Muslim Memorandum presented by the Muslim delegates to the Third Round Table Conference. That will make clear as to who is responsible for this communal representation. Evidently very much encouraged by those in whose power it was to grant a Constitution to India, the Muslim Delegation said as follows:

"For the Lower House, we take it for granted that the Muslim representatives will be chosen by direct election through separate Muslim constituencies. In the Upper House the Muslim community insists that their representatives from British India should be elected through separate constituencies by the Muslim members of the various provincial legislatures and by them alone."

[Bhai Parma Nand.]

Then they make the point more clear and go on to say:

"As has been urged over and over again in the Round Table Conference and elsewhere, the Muslim community claim one-third share in the Federal Legislature, that is, 33 seats of every hundred in the Lower House and 33 per cent. in the Upper House. The community insists that after 33 seats out of hundred in either House 25 should be guaranteed to them out of the British Indian quota. As between British Indian and the Indian States, British India is on the population basis entitled to 76 seats out of a House of 100. That is why the Muslims asked for 25 or a third of 76 seats out of the British Indian quota. Further, they asked that it should be so arranged that 8 Muslim seats out of a House of 100 are secured out of the Indian States quota to represent Muslim interests in the Indian States."

Then, the Muslim Delegation gave their reasons in the following words:

"The Muslim community would strongly object to any plan under which the whole of the British Indian quota for the Upper House would be elected by the Provincial Legislature voting as body by the system of the single transferable vote. Apart from other reasons, the chief of which is the community's dislike of joint electorates in any form, their objection rests on the ground that under the most favourable conditions such a system would not secure for them a due share in the Upper House."

From these quotations that I have given above it is clear that the Muslim delegates insisted on separate electorates. They rejected joint electorates; they threw overboard the scheme of proportional representation as proposed by the Simon Commission and, above all, they wanted one-third seats in both the Lower and the Upper Houses. Here, Sir, communalism had reached its climax. The mystery of this, however, becomes clear from a two-line reply given by Sir Samuel Hoare in a speech delivered at the conclusion of the Third Round Table Conference. In this reply we have a real foretaste of what is said in the White Paper. He said:

"I think I have said it over very often before that the Government consider that the Muslim community should have a representation of 33 1/3 per cent. of British and Indian States in the Federal Assembly."

And that is what we have got in the White Paper, the gist of a scheme which has superseded all the others. Now, Sir, a pertinent question can be asked, why one-third of the whole should be given to Muslims who form one-fourth of the population of the Hindus? I admit that in the course of the Unity Conference at Allahabad the Hindus, representing the Congress views, offered their conditional consent to give 32 per cent seats to the Muslims, but the Hindus, representing Hindu view, had said clearly that they would agree to give 32 per cent to the Muslims provided the Muslim agreed to fix 65 per cent seats for the Hindus in the Centre. The object underlying this proposal was that the Muslims were entitled to only one-fourth ratio of the Hindu seats, but giving them special weightage they could get 32 instead of 25, provided the remaining balance was assigned to the Hindus. It is beyond all understanding how the Muslims could get one-third out of the Hindu seats, but of the total seats.

Yet, this is not all, there is something more. An attempt is made through this White Paper scheme that the Hindu majority in India should for all practical purposes be reduced to a minority in the Central Legislature. Honourable Members would easily recollect that during the discussions on the distribution of seats in the Punjab and Bengal, the Muslim leaders laid down a definite rule that if the minorities in the

Punjab and Bengal are given any weightage, it should be clearly understood that the Muslims should in no case allow their majority to be reduced to a minority. The Muslim majority in the Punjab and Bengal comes to 55 per cent while the Hindu majority in India amounts to 75 per cent; and from the distribution of seats, as proposed in the White Paper, this majority of 75 per cent has been reduced to a minority in the Central Legislature, and it would undoubtedly be a great marvel if the Hindus would not see through the trick and try to find out a remedy for it.

According to the Central Indian Committee, taking the total figure as 250, the Hindus (including the Depressed Classes) would have got 106 and the Muslims 72, the ratio of Muslims to the Hindus would in that case be 40 per cent. No doubt this percentage is much higher than the population ratio, but the Central Indian Committee allowed this high percentage on the supposition of having joint electorates for all.

Then, according to the Statutory Commission, on a total of 250, the Hindus (including the Depressed Classes) would have got 150 seats and Muslims 75, and thus the Muslim ratio to the Hindus would be 33 per cent. This is the most fair and equitable adjustment of seats between the Hindus and the Muslims, and I do not think there will be anybody in this House who would accuse the members of the Simon Commission of any partiality towards the Hindus.

According to the Government of India Despatch scheme, the Hindus would get 136 and Muslims 75. Thus the proportion of the Muslims to the Hindus would be 36.7 per cent. This proportion is worse than that fixed by the Simon Commission although it is better than what we find in the White Paper, according to which Hindus (including Depressed Classes) have been given 105 seats and the Muslims 82, the proportion of the Muslims to the Hindus being about 44 per cent. My point is very simple. Let the Muslims get one-fourth of the Hindu population ratio and, if they want more weightage, let them get 32 or 33; but I cannot understand what right they have to claim that out of the total they should get one-third.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member has taken about 40 minutes already.

**Bhai Parma Nand:** I will finish in a minute.

This does not end there. We know that out of the general seats (meaning thereby the Hindu seats) 6 seats are given to the Sikhs, 8 to Europeans, 4 to Anglo-Indians, 6 to Christians and 6 to European Commerce. The remaining 31 seats are assigned to special constituencies of Labour, Landholders, Indian Commerce and Women. From this it is clear that out of these remaining 31 seats, half, or at any rate more than one-third, would go to the Muhammadans. Thus, roughly speaking, Muslims, Europeans, Indian Christians, Sikhs and Anglo-Indians would get 114 seats as allotted to them and, as I said, out of 31 special seats, more than one-third, say 12, would go to non-Hindus. Thus it would appear that more than half of the total would go to the non-Hindus and even out of 124 seats left for the Hindus, some are sure to go to the Parsi community, which one single community is left by the side of the Hindus so as to apply the word "General" to the Hindu constituency.



[Bhai Parma Nand.]

I do not think there could be a greater injustice and inequity that could be done to a great and ancient race. I would go a step further and say that this shows a kind of vindictiveness on the part of the Government towards the Hindus on account of the various ways of agitation they have adopted against the Government. No doubt a very large number of agitators come from the Hindus, but there can be no doubt also, that this class does not represent the real Hindu mind or Hindu feeling. The Hindu population, though feeling interested in the present agitation for various reasons, is in fact keeping itself distinct and watching the events in the capacity of a spectator. Any kind of vindictiveness towards a whole people would be unpardonable in the eyes of God and unjustifiable in the eyes of history. I beg to submit, therefore, that there is yet time for this Government to intervene and have this wrong redressed.

On these grounds, Sir, I support the amendment moved by the Honourable Member.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Sir, the first impression that I got from the White Paper was that it was prepared for the consumption, not of this Honourable House, but of another which is an older and, I would justifiably say, much more distinguished Legislature, the House of Commons. Throughout its pages you will find safeguards prominently placed before your eyes, while the concessions, that have been proposed to be granted to India by His Majesty's Government up to now, are hidden away in corners and places where you have got to fish them out. I have no complaints to make against that, for, after all, His Majesty's Government have to deal with the House of Commons and not with this unfortunate and helpless Assembly. And, therefore, Sir, if that impression is given to many in India, I take consolation to myself that it was done for the advantage of this country.

Now, Sir, very roughly speaking, the scheme is as follows. There is to be a Federation. There are to be two important departments reserved. In the rest of the Departments of Government in the Centre and in the provinces, responsibility is to pass into the hands of responsible Ministers; but there are certain powers to be reserved to the Viceroy and Governors which are called special responsibilities.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) vacated the Chair, which was occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

I will deal with the scheme very shortly, because I have not sufficient time at my disposal to really go into any details. If I do so very cursorily and thereby miss out any really important points, it will be due to the shortness of the time at my disposal.

Take Federation. Sir, I am a believer in Federation; and I believe that a sufficient number of Princes are coming into the Federation, and I further believe that it is in their interest to come in. It would be impertinence on my part to give advice. I do not propose to do so, but it is open to any man to prophesy what will happen to the States that do not join the Federation. They will be either forced to come in within a very short distance of time or the consequences to them may be serious. I am not one of those who believe that the Princes are coming in simply

in order to help British India to get central responsibility. Nobody is a philanthropist in this world. They are coming in, because they think it is to their advantage to do so, because they feel that British India sooner or later must get central responsibility, and that when British India gets that central responsibility, their position being outside the Federation will ultimately not be worth the paper on which their Treaties are written. Sir, that is why I am a believer in Federation.

Now, Sir, I will come to the Reserved Departments. I note that there is a school of thought in this country that strongly believes that Defence should be transferred immediately. I have no quarrel with that school of thought. They are entitled to their views; but we can only say that the reservation of Defence and Foreign Relations is an established fact, a settled question, and it will do no one any good—it will serve no useful purpose for any school of thought to raise that issue at this stage. Those who are strongly of opinion, who conscientiously believe that there is no immediate future for India without the immediate transfer of Defence, will inevitably not help to work the Constitution; but I am also strongly of the opinion that they will be in a very small minority. But, though Defence is a reserved subject, it does not follow that no one should contend that certain subjects which now come under Defence should not be transferred. I mean Indianization. It does not mean that if Defence is reserved, this Honourable House or its successor shall not be allowed to express an opinion on the amount that should be spent on Defence. It does not also follow that the future Government of this country shall not express definite opinions, opinions that ought to weigh with the authorities who will have the defence of the country in their hands, with regard to the Army Budget. All that is dealt with in this White Paper.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Where is it mentioned in the White Paper that the Federal Assembly will have any chance to discuss the Army Budget?

**Sir Cowasji Jehangir**: It is. I will show it to you. It is provided that Ministers shall be allowed to examine the defence budget before it comes to the Legislature and express their opinions to the Viceroy, who shall, by a quasi-Statutory provision, have to consider those opinions before he comes to a definite decision.

Now, Sir, I pass on to the "special responsibilities", that are really the most important part of the White Paper and which deserve the most serious consideration of every Honourable Member. They are on page 9 of the Introduction and are seven in number. I propose to deal with only (i), (ii) and (vi). I have no time to deal with the others; and (i), (ii) and (vi) are undoubtedly the most important. But, before I deal with them individually, may I make a criticism, which it was our privilege to bring to the attention of His Majesty's Government on all the three occasions that we had the honour of going to England. It was the vagueness of that we had the honour of going to England. It was the vagueness of the wording, the wideness of the powers given to the Viceroy and Governors: And, Sir, I do not propose to quote any words of any of the delegates who belonged to the group with which I had the honour to work. I propose to read to you just a few lines from the speech of a distinguished member of the Muhammadan delegation who had the honour of sitting on the opposite benches not very long ago—I mean Mr. Zaffarullah



[Sir Cowasji Jehangir.]

Khan. This is what Mr. Zaffarullah Khan said with regard to the vagueness of one of the "special responsibilities":

"As a general statement that is no doubt true, but I hope that the sub-committee will come round to the view that the matters in respect of which powers are left in the hands of the Governor must be very clearly defined, so that it can be easily ascertained both by the Governor himself and by those who may be disposed to criticise his action, exactly what is the sphere in which his interference is permissible and whether his interference is or is not justified by the terms of the statute or by the other instructions laid down. Such powers should not be left to any further definition or left very much to the discretion of the Governor himself to define. Naturally the question of whether to exercise those powers or to refrain from exercising them should be left to the discretion of the Governor, but there should be no ambiguity with regard to the spheres in which he can interfere when occasion arises."

Nothing can be put more clearly, in more precise and definite terms than the opinion expressed by Mr. Zaffarullah Khan about these special responsibilities.

I consider it just as unfair to Viceroys and Governors of the future, as it would be unfair and unjust to this country, to give them wide powers so that, if they exercise them, they would be blamed, and if they did not exercise them, they would still be blamed: And I can visualise instances that might crop up in the future where the Viceroy may have to take out a coin and toss it up "Interfere or not interfere": I can visualise occasions on which a Viceroy or a Governor will say to himself: "I have reached a stage when, if I do not interfere and if anything goes wrong, I will be called upon to account by the Secretary of State and the British Parliament and it may end in my recall. Then, again, if I do interfere and it is found that that interference was unnecessary, I will incur the odium of all the Indians whom I have to govern." Which alternative is he going to choose? I venture to suggest that, being human like everybody else, he will choose the first alternative and interfere: he will rather be on the safe side and incur the odium of the people in India than the censure of the Secretary of State and Parliament which may result in recall. Therefore, it is most unfair and it is most unjust, I say, to future Governors and Viceroys to place them in this extraordinarily difficult position. We are not going to get supermen as Viceroys and Governors. We may get one now and then, but we shall require a large number of Governors and a successive number of Viceroys; and considering the attractions that there are for men with great ability in their own country, do you expect that you will get large numbers of Englishmen being supermen ready to come out as Viceroys and Governors in the future? No. Therefore, to create posts and appointments which by the Constitution require supermen to discharge the duties attached to them is unfair to this country, is unfair to the Englishmen who will come out in the future. I go further and say it is unfair to the Services of which Englishmen will long continue to be members. Take the Federal Structure Committee's Second Report. It clearly states that these powers shall be exercised only in the last resort:

"With regard to subjects in the administration of which the Governor General would normally act on the advice of his Ministers, it was generally agreed that arrangements must be made whereby in the last resort the peace and tranquillity of any part of the country must be secured."

Is there anything in this White Paper to show that His Majesty's Government are now beginning to agree with us that these powers are only to be exercised in the last resort? Is there anything to show that a

Governor or Viceroy may not take advantage of this special responsibility to interfere unnecessarily? Your Constitution will break down the minute a Governor or Viceroy interferes unnecessarily, and I have already pointed out the circumstances under which a man may be placed when he may have, knowing that he may be interfering unnecessarily, to interfere rather than run any risk of a charge of weakness.

I come now to the question of the "financial safeguards". Who in this country does not fervently hope and pray that the financial stability and credit of India will not only continue as it is, but will be enhanced? Who is there against this in this country, may I ask? Then, why should the power be given to the Viceroy to interfere in order to maintain the financial stability and the credit of India? And what does it mean? Does it mean that on every Budget of every Department, he has got to consider whether the Ministers are extravagant and whether that extravagance will lead to the credit and financial stability of India being jeopardised? That is what we have pointed out to His Majesty's Government. Surely you do not wish to place your Viceroys in this extraordinary position. No. They said:

"We do not mean that. But we must include it in the Act in very wide terms, so that if an occasion does arise, it may not be said that the Viceroy had no powers to interfere."

Sir, that is an argument that does not appeal to me. You put certain responsibilities upon the shoulders of a man and you expect him to discharge those responsibilities. But, then, you say: "I am placing all these vast responsibilities upon your shoulders in indefinite terms, but I expect you to act with such discretion that on every occasion you will be right and never wrong in the interference you exercise." You must really, in fairness to the Viceroy, clearly define under what conditions and under what circumstances he should interfere to maintain the financial stability and credit of India.

After a considerable amount of discussion, I am prepared to say that this can be further defined. I would define it as follows. I would say that he must interfere only if there is any danger of the non-votable supplies being not forthcoming, that is to say, monies for debt charges, salaries, pensions, Army Budget, etc. Then I would say that if a Ministry of the future is so mad, and if the Legislature is so insane as to allow deficit Budgets for a number of years and that deficit is allowed to be met from loans, certainly a very dangerous position will arise, and I have no doubt that the financial stability and credit of India will suffer. I am prepared to allow that if we are going to be so mad in the future, then the Viceroy should be allowed to interfere. I have no objection. Again, I would say, that if the borrowing policy of the future Government of India was of a character which forced the Government to pay much higher rates of interest than one would legitimately expect for a great country like India, or if Government were forced to pay higher rates of interest than other countries of the same standing in the money markets of the world, if their borrowing policy was of that character, then I would allow the Viceroy to interfere. Why? In every Constitution in the world there are these safeguards given to somebody. In this case we have to give them to the Viceroy. I am prepared to allow that, in such cases, to maintain the financial stability and credit of India, the Viceroy should be allowed to interfere . . . .

**Sardar Sant Singh** (West Punjab: Sikh): May I know if the Government of Ireland is possessed of safeguards which should have prevented De Valera from acting as he did towards Britain?

**Sir Cowasji Jehangir:** Sir, I would inform Honourable Members that we did press this point of view in England, and it was given very careful consideration; but the answer that was given to us was that as far as His Majesty's Government could see just now, there were no further instances which they could contemplate in which the Viceroy should interfere, but there might arise occasions which would not come within the definition I have given, and which might jeopardise the credit and financial stability of India, in which case, if it was defined as I have ventured to do today, the Viceroy may not be able to interfere. Well, I venture to say that these should be defined in the Constitution. But if other circumstances should arise, which we cannot foresee, which nobody can foresee, which would jeopardise the credit and financial stability of India, then somebody will have to interfere, somebody must come to our rescue, and I will have no objection to the Viceroy coming to our rescue, the Secretary of State coming to our rescue; but to leave it as it is, in this vague and undefined manner is a danger not only to the Viceroy, but it is a danger to this country and to the success of the whole Constitution.

Now, Sir, I will come to the third of the safeguards, and that is administrative discrimination.

**An Honourable Member:** Commercial discrimination.

**Sir Cowasji Jehangir:** Commercial administrative discrimination. We only heard of this commercial administrative discrimination for the first time at the Second Round Table Conference. There appears to be some misunderstanding. There are two kinds of discrimination, administrative and legislative. Legislative discrimination is dealt with in another part of the White Paper: administrative discrimination is dealt with in the safeguards mentioned on page 9. Therefore, I am now dealing with administrative discrimination. At the First Round Table Conference, we were dealing with legislative discrimination. As soon as I heard of this administrative discrimination, I frankly tell you, Mr. Deputy President, I was shocked; I was literally shocked. Now, what does it mean? It means that a Viceroy or a Governor will be allowed to interfere with a Minister in his day to day routine work if any action of the Minister or any decision of the Minister is, in the opinion of a Governor or a Viceroy, such as to discriminate against anybody else. It is not only against Europeans; it is Hindu against Muhammadan; it is Muhammadan against Parsi, and it is Hindu, Muhammadan and Parsi against Europeans. It is not stated merely European commercial discrimination. I admit the idea is to safeguard the interests of Europeans against any unfair treatment, inequitable treatment and unjust decisions. But it refers to everybody, and the Governor and the Viceroy, if you please, is allowed to step in and stop my friend, Sir Joseph Bhore, from taking a certain action. Why? Because he says that that action will lead to discrimination. Every contract that my friend, Sir Joseph Bhore, may give can be interfered with, by an appeal, if you please, to the Viceroy, alleging that A did not get the contract and B got it because A is an Englishman and B is a Muhammadan.

Sir, I cannot understand how this administrative discrimination is going to work. I do grant that there may be cases of hardship. I do grant that in the whole of India among the large number of Ministers an instance may occur where a Minister will deliberately do injustice to a man because he happens to be English, Hindu or Muhammadan. Such an instance may occur. But I will only take the injustice against the Europeans, because that is what is contemplated under this safeguard. Suppose an instance does occur, what is the remedy, I will be asked. My remedy is a simple one, and it is given to the Europeans under this Constitution: it is their representation in the Legislatures. What are they in the Legislatures for but to see that no injustice is done to their community? If such an injustice is done in any particular instance, are they going to be paralysed in the Legislature? Are they not going to expose that injustice? They will do so; and I venture to tell my friends on the European Benches that their ventilating their grievances in the Legislature, that their exposing the injustice of the Ministers, will be a much stronger and better remedy in their hands than appealing to the Governor to interfere. For I believe that, if a Governor does interfere with a Minister due to alleged discrimination, and although the Minister may be wrong, although he may have been unjust, deliberately unjust, I venture to suggest that on account of the interference of the Governor, the case will not be judged on its merits. But if a case is brought to the notice of the Legislature by the elected representatives of the European community, I venture to suggest that there will be few Legislatures in India which will not side with them and censure the Minister for having done an unjust act, for there are many communities besides the Europeans in this country, and if it is the case of injustice to a European today, it will be a case of injustice to a Hindu, Parsi or Muhammadan tomorrow . . . .

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

Therefore, I venture to suggest that my friends will do well to trust the Legislatures to see that grievances of this sort are remedied and the Minister is censured, instead of giving the power to a Viceroy or a Governor. Sir, I have done with these "special responsibilities." (An Honourable Member here interrupted.) If I continue to answer questions, I am afraid you will tell me that I have exceeded my time, and, therefore, I hope my friends will excuse me, if I don't answer their inquiries. It is not because I do not wish to answer them, but it is because I have to economise in time.

Now, Sir, I come to the Reserve Bank. Everybody agreed at the First Round Table Conference to the establishment of a Reserve Bank, but as to when it was to be established was left uncertain and there was certainly a possibility of its not being established before the Federation, and, therefore, certain safeguards were provided for the interregnum. In the Third Round Table Conference, there was a distinct change of principle. The establishment of a Reserve Bank was made a condition precedent to the transfer of financial responsibility from the shoulders of those who bear it now to some other broad shoulders, and, therefore, this Reserve Bank has become a most important question. But, in fairness to the position taken up by the Secretary of State, let me tell Honourable Members,—it may not be very clear in this White Paper,—he gave us the most unequivocal assurance that he would do his best to

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see that the Reserve Bank was established as soon as possible, that he would help the Government of India as much as he could to establish that Bank, and, further, that a Bill would be brought before this Legislature and that public opinion would be consulted before the Bill was introduced to ensure that, when the Bill was actually introduced, it met with the approval of this House; but failing all that, if it was not humanly possible to establish a Reserve Bank, then the question would be re-discussed; and we on our side made it perfectly clear that we would not agree under any circumstances to the delay in the establishment of Federation because Government found it impossible to establish a Reserve Bank. This was the position so far, and I do think that it is now time that my Honourable friend, the Finance Member, might let us know, if he can, what the position now is. Is he consulting public opinion in India? What does he propose to do? Is this Reserve Bank Bill coming at all before this Legislature? And what are in short the chances of a Reserve Bank being established before the Federation comes into being? I would ask for that information and I hope we shall get it. So much for the Reserve Bank, and I do not desire to discuss it further.

Now, Sir, there is one very important point which I do desire to draw the attention of this House to, and that is, one dealing with "special responsibilities". There are certain paragraphs in this White Paper that make me rather apprehensive. They are paragraphs 37, 38 and 39. They explain the position of a Minister *vis-a-vis* a Governor or a Viceroy, and the position of a Governor or a Viceroy *vis-a-vis* the Legislature. Sir, my humble contention is that these suggestions are retrograde and that they will lead to irresponsibility in Ministers. In that connection to make the matter perfectly clear as to what I mean, I desire to quote to you the words of the Prime Minister and I can quote no better authority. The Labour Government may have been in office at the time of the first Conference, but luckily the Prime Minister still remains Prime Minister today and, therefore, I desire to quote his words. He said as follows:

"There is one great danger inherent in these safeguards which I will mention: because it is of the utmost importance in the working of the constitution. Ministers must not shield themselves from taking upon their own shoulders their responsibility when it is unpopular by leaving the Viceroy or the Governor to put into operation his reserve powers."

My second quotation is from the Statement of the Prime Minister made on behalf of His Majesty's Government:

"The provision of reserve powers is necessary in the circumstances and some such reservation has indeed been incidental to the development of most free constitutions. But every care must be taken to prevent conditions arising which will necessitate their use. It is, for instance, undesirable that Ministers should trust to the special powers of the Governor General as a means of evading the responsibilities which are properly their own, thus defeating the development of responsible government by bringing into use powers meant to lie in reserve and in the background. Let there be no mistake about that."

I say, Mr. President, let there be no mistake about there being a distinct conflict of opinion between what was expressed by the Prime Minister and what is stated in this White Paper. Paragraphs 37, 38 and 39 are not consistent with the Prime Minister's statement. Paragraphs 37, 38 and 39 try to describe how a Minister can get out of doing the right thing by shifting the responsibility upon the Governor or the Viceroy, showing the white flag to the Legislature whenever he possibly can and

sticking to his seat on the Government Benches and to his remuneration every month. I visualise a different state of affairs. I am prepared to have these safeguards. Some of them may be necessary. I know, Mr. President, that we Indians are responsible for many of these safeguards. They are put in at our instance. Who are we here in this Legislature to denounce Government for having included safeguards? Does it lie in our mouth to blame the Secretary of State? I desire that my Honourable friend, Bhai Parma Nand, would put the searchlight upon himself.

An Honourable Member: Both sides.

Sir Cowasji Jehangir: I desire that he would look into the question more carefully. But while I agree that these safeguards must be in the constitution, I do not desire that our Ministers shall take advantage of those safeguards and make the Viceroy or the Governor do what it is the Minister's duty to do, because the Legislature would not agree with him or might show resentment or might show opposition. If you allow that state of affairs, then the result will be that a Minister—you may not always have ideal Ministers—may say: "If I budget for X lakhs or crores of rupees for such and such a Department, the Legislature might oppose and might want to reduce. Let me put down an amount as low as possible, knowing that the Legislature will not object to it. If the Viceroy objects, let him certify and go to the Legislature with it. I can then go and tell the Legislature; 'I only put down an amount for that Department which, in my opinion, was sufficient and I know you will agree with me. But what can I do when a foolish Viceroy insists upon raising that demand? It is not my fault?'" Let not such conditions prevail in this country. I want the Minister to accept his responsibility and place before the Legislature after considering the whole question as to what is the amount that Government will have to spend; and if he once comes to a definite conclusion, he must face Legislature. If on the other hand after having come to a definite conclusion on the matter, the Viceroy disagrees with him, then I consider that it is the duty of the Minister to place his point of view before the Legislature and that of the Viceroy, and if the Legislature agrees that the amount he has put down is sufficient for the purposes for which it is intended, and that the Viceroy is merely playing for safety in asking for greater expenditure, then I consider it is the duty of that Minister to resign. These three paragraphs are trying to protect him. They show that a Minister can continue in office and throw the whole responsibility on the Viceroy or the Governor. I do desire that that point of view should be brought to the notice of the Secretary of State.

I was not able myself to understand very clearly the anxiety of His Majesty's Government to make it perfectly clear that, when there was a Governor's Bill or a Viceroy's Bill, there should be no mistake as to whose responsibility it was. But I never intended when I agreed with that, that it should be used for the purpose of protecting a Minister and giving him opportunities of shirking his responsibility. Sir, I do desire to bring this not only to the notice of Honourable Members, but to the notice of the Government and I desire that special attention should be drawn to this aspect of the case. For, if my interpretation of these three paragraphs is correct, your Constitution will break down. Ministers will evade their responsibility. They will become puppets. That is not what is intended. It is intended that they shall be Ministers,—that was all along the intention,—and, therefore, Mr. President, either I have misunderstood these

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paragraphs—then I stand corrected and most gladly corrected—or if I have not misunderstood these paragraphs, I do desire most strongly to protest, and my ground of protest is that these paragraphs are inconsistent with the statement made by the Prime Minister in his speech and the lines I have read out from the Statement on behalf of His Majesty's Government.

Now, Sir, just going back to the Reserve Bank for one minute, I should like to have some explanation on one matter. There has been some misunderstanding on this subject. Some believe that the Reserve Bank is going to get all powers of control of policy over Currency and Exchange. I do not understand that to be so. As I understand it, the Ministers of the Federal Government and the Legislature will have the power of amending the Paper Currency and Coinage Act. This House will have the power of deciding the policy as to currency and exchange. The management of currency and exchange will be in the hands of the Reserve Bank. But I would like to bring to the attention of this Honourable House a most objectionable proviso that has been included in this White Paper. It says that the previous sanction of the Viceroy is necessary to any Bill amending the Paper Currency and Coinage Act. We have strongly protested against this. I consider it as one of those safeguards which places upon the shoulders of the Viceroy a responsibility which is quite unnecessary. It is one of those safeguards which will bring odium, distrust and criticism, which is quite unnecessary. He has every power in his hands to stop such legislation. A legislation of this kind has got to be decided upon by the Government first. It has then to come to this House. Then it will go to a Select Committee. It will have to be passed by this House and finally the Viceroy has got in his hands the power of vetoing the whole Bill. Why then is this previous sanction necessary. We have already protested very strongly in England against this, at much greater length than I am able to do here, and I merely mention it here.

Now, Sir, I come to another important question, namely, the Railway Board. It is mentioned in this valuable document only in just a few lines. There is nothing in the proposals; and, so far as I am concerned, I am unable to understand what the proposals are. They talk of general control. What do they mean by general control? They say that the Government and the Legislature shall have general control. Do they include in that general control capital expenditure? Do they include in that general control the policy of Indianisation? If they do, I can understand general control, but if there is any intention of leaving out of the definition of general control the policy of Indianisation, then this House will most strongly protest. I earnestly ask for information. I want to know what is meant by the Statutory Body. Is it to consist of officials and non-officials with a non-official majority? If so, I presume that this Statutory Body will meet once or twice in a month and will have under them what is now called the Railway Board for the day to day administration. If that is so, it is a suggestion that has been considered in this country. I am asking for information as to what is it that is meant. The Honourable the Leader of the House informed my friend, Sir Abdur Rahim, that he would explain certain matters. This is one of those matters which, I think, this Honourable House can request Government to explain, and I trust they will do so.

Now, Sir, I come to the worst part, in my humble opinion, of this White Paper: that is the Services. It is regrettable that His Majesty's Government should not have been able to accept the conclusions arrived at by the Services Sub-committee of the Round Table Conference. The Committee that reported on this matter had Sir William Jowitt, the then Attorney General, as Chairman; and, by a majority, they definitely came to the conclusion that future recruitment to the I. C. S. and the Police should be by the Government of India and not by the Secretary of State. I do not desire to go into the terms of that report. It has been studied, I am sure, by every Honourable Member of this House. We tried to deal with that question as fairly, as equitably as we possibly could, and it was due to the fairness and the equitable manner in which we looked upon every point that we got a majority to decide in our favour. That decision has been completely and absolutely upset by His Majesty's Government. Not only will the Secretary of State continue to recruit members of the Civil and Police services, but he will continue to recruit them in the same ratio as was decided upon by the Lee Commission. He shall have power to make rules as to what posts these men shall hold and no post shall be left vacant for three months without his sanction, and the personal concurrence of the Governor shall be required for all postings. I consider, Mr. President, that this cuts at the very root of responsible Government.

There is no intention of treating anybody today or in the future unfairly; and so far as the present members of the Civil and the Police Services are concerned, we have agreed that all their privileges shall continue to the day of their death. This change in the Constitution shall not make the slightest difference to them. We are looking to the future and if the future recruits, whether they be Englishmen or Indians, are to look to the Secretary of State for their future prospects, happiness and contentment, with what respect will they look upon the future Government of India? That is an aspect of the question which I want this House to consider. After all, we do want Englishmen in this country and we want to recruit them in the future. Sir Abdur Rahim has said that and we admit, with shame and regret, that if we continue to recruit these men, it is because of this curse of communalism. Till this curse of communalism is eradicated, it is necessary in the interests of the country to have Englishmen in India: And let it be said to the credit of the Englishmen that between Indian and Indian they have held the scales level, and they have come to be trusted and honoured. Let us not mince matters. I have had a little administrative experience. I have been a member of Government for nearly six years and I know of instances where Swarajists clad in khaddar have come to me and begged of me to send an Englishman to a certain post, and I had to throw the Civil List at them to point out the Englishmen that were available. Sir, I have seen a great change of feeling in this country over the question of the future recruitment of Europeans within the last couple of years. When I contended that we will require Europeans for years to come, I was at first called unpatriotic. Now, those very friends who called me "unpatriotic" are today seeking to lay it down as a safeguard for their communal interests that Englishmen shall be recruited in the future. (Hear, hear.)

But, Mr. President, that does not mean recruitment as specified in the White Paper. There is a price this country will have to pay for Englishmen of the proper type. But let it not be at the cost of its self-respect. Do not force upon this country the

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recruitment of Englishmen without a sense of respect for the Ministers and for the future Governments of this country. If you do that, you will merely ruin the morale of Government and you will harm your servants. Have other safeguards. Let the Viceroy be the man to whom the Services can appeal for justice. Let there be Public Service Commissions. But let not the recruitment be made by the Secretary of State. Mr. President, I venture most honestly, most sincerely, to state that if this provision is included in the Bill, it will be a source of discontent, and, above all, it will continue the agitation for further reforms immediately these reforms are granted.

But if, after all, His Majesty's Government will only be a little reasonable in this matter,—I do hope and trust that these reforms, after the changes I have mentioned and which we have mentioned in England over and over again are introduced, will be acceptable to 65 or 70 per cent. of the population of this country. Sir, I must say that some of the provisions contained in the White Paper require amendment. I have pointed out the objections; I have shown where the safeguards go too far. I have also pointed out the objections in the case of the Services and the Railway Board. If these can be remedied, if these safeguards can be made more definite, as I have explained, then what is there left? But, Mr. President, powers are given to the Viceroy and the Governors to implement their special responsibilities; and if those special responsibilities are properly defined, if those special responsibilities are such as the Governors or the Viceroy will exercise only in the interests of India, then I most respectfully contend and bring to the attention of my Honourable friends that the powers given to implement those safeguards need not be feared. What is there in the power given to a Viceroy to legislate, to make a Governor General's Act, as it is called, if it is to implement a special responsibility which is well and carefully defined? We know that he is going to interfere in such and such matters. Well, he must have the power to implement his responsibilities, and what of it even if he is going to have the power to make Ordinances necessary to implement a special and well-defined power to which we all agree. Therefore, all those criticisms about the powers given to the Viceroy and Governors to implement their special responsibilities will completely disappear if only His Majesty's Government will meet our point of view and define those special responsibilities more carefully,—with the one object alone, namely, that the Viceroy and the Governors will only interfere in cases of real danger, and that the ordinary administration of this country will be carried on by the responsible Ministers and the Legislatures.

Mr. President, I appeal to the Government that they will convey to His Majesty's Government that they will so amend the Constitution that it will be acceptable to 65 or 70 per cent. or even 80 per cent. of the population of this country. I hope and pray that Providence will guide the destinies of both countries to the goal which we all have in mind—a goal which we desire that both countries should reach hand in hand, the goal of prosperity, peace and contentment; I hope and pray that Providence will grant to the great Legislature, in whose hands our destinies lie,—common sense (Hear, hear)—the faculty for which my English friends are famous the world over, the faculty which has made them the greatest power in the world; and, Sir, if they maintain the common sense which all their

classes are so richly endowed with, then they will long continue to guard and preserve the empire,—an empire which is the greatest in the world today, and of which, Sir, India will ever remain the brightest jewel and the greatest ornament. (Loud Applause.)

**The Honourable Sir George Schuster:** Sir, as my Honourable friend, who has just spoken, has referred particularly to the questions of the Reserve Bank and the Statutory Railway Board, I desire to intervene very briefly in this debate in order to give the House information which, I think, will go a long way to clearing up the position. These two subjects, as my Honourable friend pointed out, form a very important part of the White Paper plan. It is clear that in their case further discussion, and, to a large extent, technical discussion, is necessary and that the Indian Legislature is very specially interested in them. As to the Reserve Bank, the Secretary of State made it clear in a statement at the Round Table Conference that Indian opinion would be consulted before final proposals were framed and put forward. The desirability that Indian opinion should be consulted as to a Statutory Railway Board is also recognised. I am now authorised to state that it is proposed that special discussions with Indian representatives shall be held on both these matters in London simultaneously with the Joint Select Committee discussions, and that selected representatives of Indian opinion will be specially invited to proceed to London for this purpose. The aspect of the two questions to which I have already referred, namely, that they are matters of direct interest to this Legislature, is receiving our full consideration; and, in the selection of names to be put forward by the Government of India, they may rest assured that Government will take full account of the interest of this Legislature in the matter. (Applause.)

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): In the order paper for business tomorrow and the day after, as usual, questions for oral answer have been put down. But if it is the desire of Honourable Members that the succeeding two days may be wholly devoted to the discussion of the White Paper, the Chair will agree to postpone the questions. (Voices: "Yes, yes.")

The Assembly then adjourned till Eleven of the Clock on Thursday, the 30th March, 1938.

## LEGISLATIVE ASSEMBLY.

Thursday, 30th March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

### UNSTARRED QUESTIONS AND ANSWERS.

#### ALLOTMENT OF "D" TYPE QUARTERS TO PERMANENT CLERKS OF THE NON-MIGRATORY OFFICES OF THE GOVERNMENT OF INDIA.

145. **Mr. B. N. Misra:** (a) Are Government aware that some of the temporary clerks of the non-migratory offices, *e.g.*, Auditor General, Audit Office, Indian Stores Department, etc., were allotted "E" type quarters in New Delhi on their appointment, as their pay entitled them to that type of quarters?

(b) Are Government aware that on their getting an annual increment, they became out of class, and, as they hold liens they are given "D" type quarters even in preference to permanent clerks of long standing who are getting much more pay?

(c) Is it a fact that by giving "D" type quarters to temporary clerks Government lose income on house-rent?

(d) Is it a fact that under the new rules for allotment of Government quarters in New Delhi, the liens of bachelors who were allotted married quarters will be removed and that they would be given instead single quarters according to their relative seniority?

(e) Do Government propose to remove the liens of temporary clerks and allot those "D" type quarters in New Delhi to the senior as well as permanent clerks in preference to the temporary clerks and thereby increase Government revenue in the form of house-rent? If not, why not?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) The operation of the rules relating to priority might, in certain circumstances, give a particular temporary clerk preference over a permanent clerk on higher pay than himself in respect of quarters. But such preference would not be due to the fact of the former being in temporary service.

(c) Not necessarily.

(d) The liens of bachelors on married quarters will be removed and it will rest with them to apply for single quarters in accordance with the rules governing the allotment of those quarters.

(e) No. Government do not see any justification for removing the liens held by temporary clerks on "D" class quarters.



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PRESENTATION OF A MINIATURE PALACE MADE OF SALT TO THE  
SUPERINTENDENT OF EDUCATION, DELHI.

146. **Mr. M. Maswood Ahmad:** (a) Will Government kindly state whether a miniature palace made of salt from the Sambhar Lake was presented to the Superintendent of Education, Delhi, by Lala Gaya Prasad, Deputy Inspector of Schools?

(b) If so, will they be pleased to say in which museum this salt palace has been placed?

(c) If it has not been placed in any public institution or museum, will Government please say whether it is permissible under the Government Servants' Conduct Rules to accept presents from subordinate officials?

**Mr. G. S. Bajpai:** Enquiries are being made and a reply will be furnished to the House in due course.

IMPROVEMENTS OF EDUCATIONAL FACILITIES IN THE PROVINCE OF DELHI.

147. **Mr. M. Maswood Ahmad:** (a) Is it a fact that in the combined charge under the Educational Commissioner with the Government of India a five-year programme was launched for the improvement of educational facilities in the Province of Delhi?

(b) Is it also a fact that the number of High Schools, especially High Schools for Muslims, considerably increased during the time when the Educational Commissioner was in charge of the Education Department of Delhi?

(c) Is it also a fact that at that time the quinquennial report was written without the help of a Special Officer?

(d) Are Government aware that since the appointment of the present Superintendent, the number of High Schools for Muslims has considerably gone down and that a Special Officer has been put in charge of the preparation of the quinquennial report?

(e) What expenditure has been incurred on account of this Special Officer? In these days of financial stringency what is the reason for incurring this expenditure? Was this placed before the Standing Finance Committee for their approval?

**Mr. G. S. Bajpai:** (a) and (c). Yes.

(b) In 1923 when the Educational Commissioner with the Government of India took charge of the duties of the Superintendent of Education, Delhi and Ajmer-Merwara, the total number of high schools in Delhi was 15 of which four were for Muslims, while in April, 1931, when he relinquished charge of those duties there were 21 high schools in Delhi out of which five were for Muslims.

(d) Only the Siddiquia High School discontinued its High Classes for the reasons given in my reply to the Honourable Member's starred question No. 1637 on December 12th, 1932. The reply to the second part is in the affirmative.

(e) The attention of the Honourable Member is invited to the reply given to his starred question No. 1636 on the 12th. December, 1932, which furnishes the information as regards the expenditure incurred on account of the appointment of the Special Officer, and the reasons for his appointment. This officer was appointed, under their own powers, by the three Local Administrations.

SECRETARY OF THE BOARD OF HIGH SCHOOL AND INTERMEDIATE  
EDUCATION, RAJPUTANA AND CENTRAL INDIA.

148. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the certificates awarded to successful candidates for the examinations of the Board of High School and Intermediate Education, Rajputana, Central India and Gwalior are not signed by the Secretary, but bear his facsimile stamp?

(b) Is it a fact that a member of the Board of High School and Intermediate Education, Rajputana, Central India and Gwalior, has made a proposal that the certificates issued by the Board to successful candidates should not bear the facsimile stamp of the Secretary's signature but should be duly signed by him?

(c) Is it a fact that the Secretary of the Board is an old retired man?

(d) Is it a fact that he was appointed in the first instance for three years on the recommendation of Mr. K. P. Kichlu, M.A., I.E.S. (retired), an educational expert, on the ground that as the Board was newly constituted the services of an experienced man of the educational line were essential?

(e) Is it a fact that on the expiry of his term of three years, he was given an extension of six months?

(f) Is it a fact that on the expiry of his extended term of six months, he has again been given an extension of a further six months?

(g) Will Government be pleased to say how long they will continue to grant extensions to the present Secretary?

**Mr. H. A. F. Metcalfe:** The information is being collected and will be laid on the table in due course.

NON-GRANT OF GRATUITY TO THE ADOPTED SONS OF MUSLIM EMPLOYEES  
OF THE NORTH WESTERN RAILWAY.

149. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the Railway Board, while interpreting the term "dependent children" in the explanation under note (1) to gratuity rule No. 22, have included "adopted children" of the railway employees under that category?

(b) Is it a fact that in the same explanation the discretion given to the Agents does not mean the differentiation between the Hindus and Muslims?

(c) If the reply to part (b) be in the negative, will Government please state how far the action taken by the Agent, North Western Railway, in forbidding gratuity to the adopted sons of Muslim employees, on the alleged ground that the adoption is not allowed by Muslim law, is consistent with orders of the Government of India?

(d) If the reply to part (c) be in the affirmative, will Government please state if the Muslim employees of the Railway Department are governed by Islamic law?

(e) If the reply to part (d) be in the negative, are Government prepared to instruct the Agent, North Western Railway, to set those cases right?

(f) If the reply to part (d) be in the affirmative, are Government prepared to revise the pass rules and make provision for the grant of passes at a time to all the wives of those Muslim employees who have more than one wife?

**Mr. P. R. Rau:** (a) and (b). The State Railway Gratuity Rules are statutory rules, and the explanation under note 1 to rule No. 22 runs as follows:

"Dependent children includes adopted children at the discretion of the Agent, according to the circumstances of each case".

The religion of a railway servant will obviously not be a relevant fact to be taken into consideration by the Agent in exercising his discretion.

(c), (d) and (e). I am informed that the Agent, North Western Railway, has decided that since the adoption of a child is not permissible under Muhammadan law, and no informal adoptions can carry with them a right of inheritance, gratuities should not be sanctioned in such cases. The question of whether any alteration in the present practice should be made is under consideration.

(f) No.

#### REFUSAL BY CERTAIN OFFICIALS TO ATTEND TO THE REPRESENTATIONS OF THE DELHI PROVINCIAL POSTMEN AND LOWER GRADE STAFF UNION.

**150. Bhagat Chandi Mal Gola:** Will Government be pleased to state whether the All-India (including Burma) Postmen and Lower Grade Staff Union with its Head Office in Bombay and branches all over India and Burma is recognized by the Government of India? If so, why did the Postmaster, Delhi, and the Postmaster-General, Punjab and North West Frontier Circle, refuse to attend to the representation of the Delhi Provincial Postmen and Lower Grade Staff Union, and what led these officers to discredit the fact of recognition of this constitutional institution continuously for a full year till the issue in support of this fact of the Director-General's letter in October last? Are Government prepared to ask these officers to account for their attitude in this regard?

**Sir Thomas Ryan:** The reply to the first part of the question is in the affirmative. As regards the rest of the question, Government have no information, but I may point out to the Honourable Member that officials must exercise some discretion as to the amount of attention which they should pay to representations, even from recognized Unions.

#### MOTION FOR ADJOURNMENT.

#### ORDER OF EXPULSION SERVED ON FOUR CHETTIYAR BANKERS OF SAIGON BY THE GOVERNMENT OF INDO-CHINA.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I have received a notice from Diwan Bahadur Ramaswami Mudaliar that he proposes to ask for leave to move a motion for the adjournment of the business of the House today for the purpose of discussing a definite matter of urgent public importance, namely, "the position of the Chettiyar Bankers in Indo-China and the expulsion of four of them from that country".

I have to inquire if any Honourable Member has any objection to this motion.

(No objection was taken.)

As no objection has been taken, I declare that leave is granted and that the motion will be taken up for discussion at 4 P.M. this afternoon.

#### ELECTION OF MEMBERS TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I have to inform the Assembly that the following Members have been elected to the Central Advisory Council for Railways:

1. Mr. B. Rajaram Pandian,
2. Sardar Nihal Singh,
3. Lieut.-Colonel Sir Henry Gidney,
4. Shaikh Fazal Haq Piracha,
5. Dr. Ziauddin Ahmad, and
6. Mr. Goswami M. R. Puri.

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

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I have to inform Honourable Members that up to 12 Noon on Friday, the 24th March, 1933, the time fixed for receiving nominations for the Standing Committee for the Department of Education, Health and Lands, four nominations were received, out of which one Member has since withdrawn his candidature. As the number of candidates is now equal to the number of vacancies, I declare the following Members to be duly elected.

1. Rai Bahadur Lala Brij Kishore,
2. Mr. B. V. Jadhav, and
3. Pandit Satyendra Nath Sen.

#### 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 29th March, 1933, agreed without any amendment to the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, which was passed by the Legislative Assembly at its meeting held on the 25th March, 1933."

#### PROPOSALS FOR INDIAN CONSTITUTIONAL REFORM—contd.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume consideration of the White Paper.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, the proposals for future reforms embodied in the White Paper have both in England and in this country created a storm of opposition for opposite reasons. The opposition which we find in England to

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the White Paper scheme of reforms is based on the fact that Englishmen, who believe in conserving and preserving the genius of their race and all that goes to make Imperial greatness and power and, therefore, have been considered and consider themselves as true conservatives, have come to the conclusion that the present reforms will lead to the abdication of British authority in India. On the contrary, the Indian people, who hold radical views in regard to the control of the administration, even though they concede that in the transitional stage some safeguards are necessary, consider that the reforms are inadequate, unsatisfactory and disappointing. This Assembly stands, as it were, between extreme opinion in England on the one side and extreme opinion in India on the other. The die-hards, both on this side of the ocean and on the other, have in unmistakable language called upon their people to reject the reforms mercilessly like poison. The die-hards in England think that once these reforms are introduced, British rule in India will cease. Every one present here has read the very cautious speech that Sir Samuel Hoare, the Secretary of State, made in Parliament; every one is aware of the emphasis that Sir Samuel Hoare had to lay on the safeguards in the White Paper scheme. The conservative die-hard says, you cannot have responsibility and safeguards at the same time; the Indian extremist says, you cannot have responsibility and safeguards simultaneously. Extremes meet. It is not for me today to dwell on the meteness of extremes, but the unreason thereof.

Mahatma Gandhi, when he signed the famous Gandhi-Irwin Pact, clearly agreed to safeguards in the transitional stage. We have now to see whether the safeguards are in India's interests or in England's interests; whether British interests preponderate over Indian interests, and whether the safeguards cannot be mitigated and why they should not be mitigated. The rigour of the safeguards can be reduced in my opinion to the advantage of Great Britain herself in India. Take for instance the financial safeguards. The financial safeguards, according to my reading of them, deny to India financial autonomy. In my opinion, the financial safeguards are the worst feature of the present reforms. India has been asking for fiscal and financial control for long years. India has been told that she can aspire to Dominion Status. But where is the preparation, I ask, in the financial change towards Dominion Status? The Governor General is to have the power not only in regard to giving assent for the introduction of currency legislation, coinage and things of that sort, but he is also to have the power of veto. Why, I ask, should the Governor General have both the powers? Would it not be enough if the Governor General had the power of veto? Why should he also have the power of consenting beforehand? I think it is not necessary in the transitional stage to invest the Governor General with both the powers. Moreover, the Governor General will have a Financial Adviser. I cannot really understand, I am not able fully to understand at any rate, what are the functions of this Financial Adviser. The White Paper is a document which is written in very concise and reticent terms and which does not explain many matters with regard to which one would like to have some explanation. Perhaps my friends, the Round Tablers, understand them better, having been in the negotiations right from the beginning, than some of us who are strangers to the document. But from the stranger's point of view, lacking in the inner knowledge that others have, I can only say that I do

not understand what rôle this Financial Adviser is going to play. Is he going to be, I ask, a purely Financial Adviser? Or is he going to be an octopus in whose tentacles the Finance Minister of the future is to be caught? That position must be cleared up. We know that in a certain part, not necessarily of the British Empire, but in a certain part of the world, which came under British control, I refer to Egypt, the Financial Adviser played the part of the Financial Dictator. In Egypt the Financial Adviser had the front seat and the Financial Minister had the back seat. In Egypt the financial administration was run by the Financial Adviser. There might be reasons for it. Egypt was a bankrupt country, but why should we now begin our financial administration as Egypt had to begin and be saddled with a Financial Adviser?

**Mr. N. M. Joshi** (Nominated Non-Official): Who told you that Egypt was a bankrupt country?

**Mr. C. S. Ranga Iyer**: My friend, Mr. Joshi, says who told me that Egypt was a bankrupt country. I will present him with all the volumes on Egypt in the Library. (Laughter.) I will ask him to go into the history of Egypt in the days of Ismail Pasha when even the Suez Canal shares had to be sold. Egypt had no money. Ismail Pasha squandered Egypt's fortunes as the result of which Egypt had to heavily borrow in Europe. Ismail's Financial Minister advised him to borrow in Europe. But I should not be side-tracked from my subject. I can go on answering interruptions, but that will serve no useful purpose. Even the merest tyro in politics, even those who have read superficially Egyptian history, will agree that Egyptian finances were in the most decrepit condition. Therefore, when British interference in Egyptian matters was necessary, it was also necessary to have a Financial Adviser in Egypt. But India's case stands on an entirely different footing. I can understand, Sir, British apprehensions, because we are starting on the long journey or short journey to Swaraj, and they perhaps think we have not got the experience; they perhaps think that we must start with some Adviser; and they perhaps think that the Governor General must have some powers of control in the transitional stage. If that be so, why do you not say how long this transitional stage should last? If that be so, why is it not clearly stipulated how long this country is to have a Financial Adviser? It can only be for some time in the beginning, for surely even Great Britain and the Conservatives of Great Britain will not say that Indians have not the capacity of understanding and mastering subjects. Even as Indians have mastered the English language, even as they have mastered the British methods of administration, surely there is sufficient financial talents in this country to master the financial subjects and affairs. If it is absolutely necessary in the transitional stage to have a Financial Adviser, his powers must be very closely restricted to purely those of an adviser. He must be nothing more and nothing else than an adviser. (Hear, hear.) He must not take shelter behind the fact that he is Adviser to the Governor General. He must not impose on others, because the Financial Adviser will have the ear of the over-riding authority. It must not be made difficult for the Finance Minister of the future to form his own proposals, prepare his own Budgets and make his own budgetary arrangements. He must not work in trepidation and fear, lest he should be over-ruled. So long as there is restriction, this panic, this trepidation in the mind of the Finance Minister, it will not be possible for him to be responsible in the Parliamentary sense to the Legislature. His responsibility might be through the Financial

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Adviser to the Governor General. That is a great danger, especially because, Sir, as you are aware, the Reserve Departments will consume the bulk of the money. Only very little of the money will be left to the Finance Minister and if even in the sphere under his control the Financial Adviser is to impose his wisdom or his discretion on the Finance Minister, then financial autonomy can be reduced to an absolute mockery. (Hear, hear.) Sir, what are the functions of the Finance Minister? According to the White Paper, the Finance Minister exists for raising the necessary revenues and the Governor General spends the revenues that are raised, the bulk of them, for the Reserve Departments. I will read the language of the (White Paper):

*"Unless occasion arises for the exercise of the Governor General's special powers it will be for the Minister and the Minister alone to take decision on all such matters as the means to be used for raising the necessary revenues, for allocating expenditure in the responsible field, and for the programme of external and internal borrowing."*

The Finance Minister, therefore, will have to raise the revenue and even in regard to the expenditure for the Responsible Departments; for the Departments under his own jurisdiction, he can be over-ruled if the Governor General so chooses. That being the case, there is very great danger in not very completely, very lucidly and very rigidly stating and emphasising what is the position to be of the Financial Adviser. Until and unless this is very clearly stated, until and unless the Financial Adviser remains purely a financial adviser, and also, Sir, until and unless it is clearly provided that no one can be appointed as Financial Adviser who has either the vested interests of England or, for that matter, the vested interests of India to look to, unless these things are cleared up and until also the Financial Minister is consulted in regard to the appointment of the Financial Adviser, *in the manner in which he ought to be consulted*, namely, by his being given an opportunity of setting up a panel of Financial Advisers from among whom the Governor General can choose, until these things are done, I am afraid there will be very much misapprehension leading to unnecessary mistrust in this country. (Applause.) This, Sir, is a matter which the Government must very carefully look up, because they should start their future with as little disharmony as possible. It must be explicitly provided that the Financial Adviser must in no case be a representative, as I stated, of the vested interests in England or in India, and it must also be provided that the Financial Minister must not come into contact previously with the Financial Adviser lest it should be thought that the Financial Adviser is actually framing the Budget and handling the finances of the country. As far as possible the responsibility of the Financial Minister to the House must be maintained untarnished and undiminished. (Hear, hear.)

Sir, another aspect under which I would like to approach the proposals contained in the White Paper relates to Defence. Closely connected with the question of Defence is the question of the Services, the Indian Civil Service and the Indian Police Service, and the authority of these Services resting in the Secretary of State. I am not satisfied, Sir, with the recommendations in the White Paper in regard to Defence. The Instrument of Instructions says:

*"The White Paper will also formally recognise the fact that the defence of India must, to an increasing extent, be the concern of the Indian people, and not of the British Government alone."*

I admit, herein we find something in the nature of an emerging as it were from the old position,—some appearance of emerging. But when you examine it carefully, you do not find in the White Paper any preparation

of the Indian people for the attainment of Dominion Status in regard to Defence. The phrase Dominion Status is very carefully omitted in the White Paper. (Hear, hear.) Read it from the first page to the last—the only phrase that gave some consolation to the Indian people has been, with great care and precision, left out of this book. Why so, may I ask? The answer to that will lie in the speech, greatly satirical, full of raillery, full of wit and full of antagonism to Indian aspirations which the late Lord Birkenhead delivered in the House of Lords denouncing the great Viceroy who made that pronouncement; and now that the Tories have come to power, they did not want, in their wisdom, to create another controversy over the expressive phrase Dominion Status. I would not have minded if they had omitted that phrase Dominion Status, but my quarrel is that the facts mentioned in the White Paper do not take us in the direction, so rapidly as I would like, or at all, of Dominion Status. For instance, it is not stated in the White Paper, how long the question of Defence is to be in the hands of Great Britain. It is not stated there to what extent control of Defence will be vested in the Legislature of the future. It is not stated there whether we will have control even in regard to the raising of a citizen army. Sir, it is not stated how and for how long we are to go through this process of Indianisation and when India will have the same position as the Colonies. This reminds me of the speech of the late Lord Birkenhead. He said "What do you mean by Dominion Status? Do you mean approximation of the position of the Governor General of India to that of the Governor General of Australia? Can you think in any conceivable time that such a thing can happen?" And if you read in the light of that speech the provisions in the White Paper and the special responsibility of the Governor General, you will find that so far as the Army is concerned, I at any rate do not know when we can have a responsible Legislature controlling defence as the Colonies control. I am quite willing to agree to a transitional stage, but I must know when the transitional stage is to be completed in regard to Defence. I am quite willing to wait for 10 or 15 or 20 years, but under the scheme you will have to wait for a century and even then you may not have control over Defence. (A Voice: "Why twenty years?") My friend, Mr. Gaya Prasad Singh, wonders why twenty years! I shall presently come to it if he will have patience. Every one who comes into the Army today under the sanctity of contract, every one who comes into the Indian Civil Service today under the sanctity of contract, which this House does not propose to repudiate, nor parties outside, every police officer who is responsible to the Secretary of State who comes today into the service under contract will remain in this country for 25 years—not 20 years. Such being the case, I insist that some time must be fixed when this Indianisation process could be completed or at any rate could be half complete. There is no provision in the White Paper for any kind of control, nor of any kind of visualising the future as it were telling us when we can have in the Army a fifty-fifty proportion which we are having in the Civil Service. There can be no responsible Government without Home Defence. We have a right to know when we are going to have responsible Government. We are moderates, but even extremists in the country under the Gandhi-Irwin Pact agreed to transitional stages and safeguards. The safeguards do not mean reservation for all time to come of reserved subjects. That is a very unfortunate feature of the White Paper; and this feature must be made clear. It must be made clear to the people when and to what extent and what control they can have in regard to the Army. In certain branches of defence, such as Indianisation for instance, I know Honourable

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Members who were at the Round Table Conference took up the matter in its early stages; but the White Paper reveals that their views have not been accepted—at any rate, what they had stated then has not been embodied in this Paper Book. This is a matter which will have to be taken up with His Majesty's Government and some light will have to be thrown upon that and this leads me to the question of Indianisation of the services or stoppage of recruitment in regard to the civil service and the police service. I know—and there is no use blinking facts in this matter—that Great Britain will not agree and there is no use asking them to agree to the complete stoppage of European recruitment in regard to the services; for you cannot have a British Army in India merely,—as every time their supporters have said in this country and their own,—and purely for Indian purposes. So long as you have a British Army in this country and British officers in the Indian Army, so long you will have, willy nilly, Europeans in the Police and Civil Services. The whole position is linked up together and, if I may sum it up, it is like this: unless you insist on a certain pace in regard to the Indianisation of the Army, you cannot secure and must not seek elimination of Europeans from the Police or the Civil Service. I do not suggest today to stop recruitment in the Civil Service; but I do suggest today immediately open out greater opportunities for Indians in the Army and state to what extent you are prepared to give the opportunities. The progress which has been made in the Civil Service of Indianisation must also be made in the Army. I attach much greater importance to the Indianisation of the Army becoming fifty-fifty, than to proceed further with the Indianisation of the Police or the Indianisation of the Civil Service. That is a matter which is of profound importance and is worthy of careful consideration.

I come now to another aspect of the subject and that is the riddling of the Constitution with deadlocks. Why these safeguards? Why this supreme emphasis on safeguards? Safeguards for the Centre must appear superfluous, because you are bringing in the Princes. The safeguards in the Centre must appear superfluous, because you have the minorities with weightage. Between the minorities and the Princes, they can keep stable Government going. Do you not trust the Princes? Do you not trust the minorities? This emphasis on safeguards, this excess of special responsibility is only an exposure of the lack of adequate confidence even in the Princes and the minorities (Laughter) to keep things going. And unless the Government see to it that these safeguards are reduced, will they not be playing into the hands of the National Congress? If there are safeguards, there will be the temptation to use the safeguards; and "the only way to overcome a temptation is to yield to it", (Laughter) and it will not only be the Governor General in the Centre or the Governors in the Provinces, but also the Congress people who will yield to the temptation; though, of course, the temptation of the one will be different from the temptation of the other. The Congress people will revive their own warlike, ferocious slogans, enter the Legislature and capture the fort of the bureaucracy and induce the Viceroy to use his over-riding powers, to make the exercise of these over-riding powers normal, so that responsibility or the mockery of that responsibility could be exposed; and the Congressmen in the Provinces will say that the over-riding power that the Governor has got in regard to Law and Order is only a screen: they will tear off that smoke screen by inducing him to override the Law and Order Minister. Supposing the Congress captures the administrative machinery in the United Provinces—or in some

other province in India—why should I mention my own province at present (Laughter)—and supposing Congressmen come, having their minds made up, to run the machinery of administration on their own lines, supposing for instance, it is a very unimportant thing—supposing they make up their minds that the Law and Order Minister should change the uniform of the police, supposing they decide that the police uniform in the Congress Government of a province must henceforth be the Gandhi uniform, a Gandhi cap, white shorts and a white shirt; supposing the Governor does not like the prestige of Great Britain being brought so low. After all, there will be the temptation on the part of the Congress people to re-establish their prestige and being human to pay off some old scores. (Laughter.) And supposing they want to pay off old scores in spite of Honourable gentlemen seated on this side who will meet the same fate at the next election as chaff before the wind, because the Congress organisation is efficient and wide-spread. The battle will be between the Governor on the one side and all that he stands for and the Law and Order Minister on the other with all the resources of a Government responsible to the people. The Governor's responsibility will be to whom—to himself, to the Governor General, to Great Britain. And the Minister's responsibility will be to whom—to the Legislature, to the people. The Governor has no Department of his own. The Law and Order Department is a transferred Department and, may I ask, how is the Governor to know whether tranquillity is in peril, whether peace is in danger and whether safety is no more to be in that province, without consulting the Minister? But the Minister and the Governor differ. The Minister says tranquillity is not in peril; the Governor says tranquillity is in peril. The Governor has no Department to understand how it is in peril. Is he to maintain a separate Department? How is he to come to that conclusion? Are the Police and the Indian Civil Service to be spies upon the Minister, communicating directly with the Governor? No, they will not play that role, being responsible public servants. What then? The result will be the Governor will be trying to govern over the head of the Law and Order Minister. It will be more honest, as some critic put it, that law and order should be a reserved Department. I do not agree, but I must warn His Majesty's Government that they are showing the dragon's teeth, in regard to these law and order safeguards, for the Governor is authorized to exercise law and order in the teeth of ministerial advice. The proper thing for the Governor will be to dismiss the Minister, to dissolve the Cabinet and, if need be, the Legislature, instead of riding roughshod over the Minister. That is not provincial autonomy. Under the present scheme, there will be no autonomy in the parliamentary sense of full responsibility even in the provinces. Let there be no mistake about it. We will have to see that provincial autonomy is complete. This mockery of over-riding the Minister is rooted in distrust. Distrust begets distrust. If you want to run responsible Government in this country, at least in the provinces, there should be complete responsibility and complete trust on the part of the Governor. While over-riding powers will always exist in the Governor General, the putting up of powers on the Governor making him a sort of minor Czar, as it were in the province, will only result in such continuous clash that ultimately the Governor will be discredited, the Government will be discredited, not the Government responsible, but the irresponsible part of it. Why sow fresh seeds of strife? I am perfectly certain that in the next ten years, instead of having harmonious progress in the provinces and better understanding between Great Britain and India, the Governor will become the target of attack. He will be accused of using and abusing his powers unnecessarily. It is not wise to



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ask for trouble in the provincial field. If you cannot part with power at the Centre, why not part with it in the provinces at any rate?

Then, Sir, I must also refer to another aspect and that is the taking away of existing rights. At present we have the right of retaliation in regard to the Colonies. We have not exercised that right, but that right is there. That right was granted to us, but in the White Paper it is not quite clear where we stand or it is quite clear that that right has been taken away. I will refer Honourable Members to paragraph 122 of the White Paper which reads:

"The Federal Legislature and the Provincial Legislatures will have no power to make laws subjecting in British India any British subject in respect of taxation, the holding of property of any kind, the carrying on of any profession, trade business or occupation or the employment of any servants or agents, or in respect of residence or travel within the boundaries of the Federation to any disability or discrimination based upon, his religion, descent, caste, colour or place of birth."

Under this, therefore, any British subject would include the colonials, the Whites of Fiji and Kenya. (*Diwan Bahadur A. Ramaswami Mudaliar*: "No.") My Honourable friend, Mr. Ramaswami Mudaliar, says "No".

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): May I point out to the Honourable Member that to the best of my recollection it was made clear that that safeguard was only intended for Englishmen as we know them, residents of the United Kingdom and, so far as I recollect, it was the Indians who insisted upon including the citizens of the Free State of Ireland.

**Mr. C. S. Ranga Iyer**: I stand corrected, but I can only interpret what the White Paper contains and, in this connection, I may say that my apprehension is shared by as great an authority as the Right Honourable Srinivasa Sastri. In an article in the *Hindu* on the subject, he has expressed his doubts and misgivings in regard to this matter and he has expressed them at some length. I do not want to take up the time of the House by referring to them, but I would only say that that apprehension exists. I am glad that Sir Cowasji referred to it, but I think he was rather thinking of paragraph 123, in which British subjects are mentioned in a different sense:

"The Federal Legislature and the Provincial Legislatures will have no power to make laws subjecting any British subject domiciled in the United Kingdom to any disability or discrimination."

He shakes his head. Perhaps he is clear on that point, but as clarity is lacking so far as the White paper is concerned. . . . .

**Sir Cowasji Jehangir**: I agree that is lacking.

**Mr. C. S. Ranga Iyer**: Well then, this matter will have to be cleared up.

Lastly, Sir, I must refer to one point and that is a point of difference between me and the Leader of the Independent Party. Sir Abdur Rahim, in his sober and closely reasoned speech, expressed the apprehensions entertained about federation when he said that we should not have the Princes at the Centre. I do not for a moment belittle the apprehension

he and others have entertained on the matter. He said: you may have your safeguards, but if you have a popular Assembly at all and if the nominees of the Princes are sitting there in a popular Assembly, you will realise, as I believe Honourable Members on the Treasury Benches now realise, that in a popular Assembly you cannot stifle the breath of freedom,—and later on he advised the Princes not to enter the Federation. If I welcome the Princes into the Federation, it is because of the dream of a United India, of a greater India which the great leaders of bygone days, men like Sir Surendra Nath Banerjea dreamt of. Sir Surendra Nath Banerjea used to say "Dream. It is pleasant to dream. Let us dream for a while, dream about the United States of India." Even though there are difficulties in the way, still if there is a possibility of the dream materialising, I would welcome it. After all India is one and indivisible and must be one and indivisible. Sir Abdur Rahim asked: can you pour the wine of democracy and autocracy into the same bottle? He did not say: will it not make too strong a cocktail which will go to the head. (Laughter.) (*Mr. B. Das*: "Head of the British".) I do not understand what my Honourable friend, Mr. Das, means by it. If he means the head of the British people in India, surely not. But it may go to the head of the State subjects. Once the States through their representatives are brought into contact with the representatives of democracy in British India, then you will lay the foundation of constitutional monarchy within the Indian States. (Hear, hear.)

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): Is this intended to scare away the Princes?

**Mr. C. S. Ranga Iyer**: This is intended to explain my point of view. They will follow their liege and lord, His Majesty the King-Emperor, and thus become constitutional monarchs themselves. I do not want to scare away the Princes. I do not think that Princes are such fools. (Laughter.) Probably my Honourable friend thinks they are, because he fears they can be scared away by a candid "speech". "They are coming into democracy", said Sir Abdur Rahim. "May I ask, what do the Princes gain?" I say, they are coming in in their own interests. Sir Abdur Rahim went on to say: "Their States are autonomous". He forgot, they have no responsibility to the State subjects. Sir Abdur Rahim added: "They are full of power and jurisdiction. They will have to be asked to surrender their powers and jurisdiction". They are not my own words, but the words of my friend, Mr. Jadhav's own leader. Therefore, when he scares them away, I at any rate can seduce them to the Federal parlour. (Laughter.) Sir Abdur Rahim further observed: "They will be losers pecuniarily". He said rather strangely: "They would be losers so far as prestige is concerned, which is of great value to an autocratic ruler,—and what is the justification for that", he asked? Sir, I do not want to encourage even the most primitive of Princes, even the most reactionary of despots, to imagine that in this age of democracy they can afford to live in the primeval periods of one-man rule. I hope, Sir Abdur Rahim was merely pulling their leg. (Laughter.) I admit that if the Princes come into the picture, there is the possibility of democracy in British India—as Sir Samuel Hoare said—not degenerating into mobocracy. At the same time, however, there is the possibility of autocracy in the States coming up to the level of democracy and the possibility of one India growing with



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power and splendour and standing upon her own rights and her own privileges and powers—a free nation bound within the British Commonwealth of Nations to improve herself and bring about the improvement of the human race. (Loud Applause.)

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, before I submit my observations to the House, I think I had better say, while the thing is fresh in the minds of Honourable Members, that after hearing my Honourable friend, Sir Abdur Rahim, and the perfervid eloquence of my Honourable friend, Sir Cowasji Jehangir, and of my Honourable friend, Mr. Ranga Iyer, the Honourable Mr. Mudaliar alone remains to fill the picture. I think I ought to say publicly and without any hesitation whatsoever: "Sir, we do not want the democracy that is being promised in this White Paper,—with 46 crores of the Army Budget excluded, the Railway Budget excluded as well as those numerous items which are given in one of the paragraphs in the book as outside the purview of the Legislature. What is that 'democracy' worth?" Sir, all the trouble that we have been hearing since yesterday from Sir Abdur Rahim, Sir Cowasji Jehangir and from Mr. Ranga Iyer this morning added to what my Honourable friend, the Honourable the Finance Member, said that "you are out really for still larger expenditure when you institute this responsible government". We feel no doubt as to our being involved in further large expenditure, compared to what it is now and what it was during the Minto-Morley regime and to what it was before that time. In fact I do not know whether that last expenditure has since been doubled, or trebled, or quadrupled or more. And what it is that we get for all this further and huge expenditure? Sir, democracy may be very good, and federalism may be better, and any other form of Government may be the best in the world, but you can only cut your coat according to your cloth, and I think really that the Indian people, poor as they are, had better go on with a unitary system of Government if the alternative is all that my friends have been reciting here in this House.

Sir, the White Paper has been given to us for discussion and I am not yet quite clear as to what the idea is in discussing this paper. In the introduction or, what I might call, the preamble paragraph, it is stated that they will appoint a "Joint Select Committee to consider these proposals in consultation with Indian representatives and to report upon them". After this report has been laid, it will be the duty of His Majesty's Government to introduce a Bill embodying their own final plans—not necessarily what is contained in this White Paper. What is contained in the White Paper has already been exposed by my Honourable friend, Sir Cowasji Jehangir, and also how far it is against the conclusions arrived at at the Round Table Conference; and when the Bill is framed, you will probably find that whether on account of pressure or other circumstances, some provisions that have already been agreed to by the members of this Round Table Conference will have been either deleted or some new provisions which have not been previously touched upon and which might tighten the grip will have been added. Now what about the position enunciated by His Excellency Lord Irwin when he addressed this Assembly and said that the object of the Round Table Conference was to find out the greatest possible measure of agreement and to frame

a Bill in accordance with that agreement. It may be, as Sir Cowasji Jehangir said, that this White Paper was intended more for consumption by the average Englishman who does not know anything about India and the Indian questions than by the Indians, but I am not going into the motives themselves,—I am concerned with what is going eventually to happen when Government's own final plans, whatever they may be, are embodied in the final Bill. Perhaps in one sense that course may be good, because if the Government by chance read what is going on in India, it is just possible that more light may be thrown on the significance of these proposals and possibly some improvement might be made which would benefit the Indian people. But, Sir, as if they had gone too far to engender suspicion in India, they say that the Bill will not contain anything that is not down in the White Paper. They say further that they have not yet marshalled and elaborated here the general arguments in justification of their proposals in view of the impending debate.

Now, I have been reading, with such industry and attention as I could command, the proceedings in the House of Commons and the speeches specially of Sir Samuel Hoare, and I do not find there any marshalling of arguments in justification for the position that has been taken up beyond iterating and reiterating the fact that hopes had been aroused and it is impossible to go back. If that was the measure of the argument and the justification for the position taken up in this paper, then the arguments in support of the objectionable features which my Honourable friends have recited might just as well have been stated in this White Paper, so as to make it as complete as possible. As, however, the Paper has been placed before us, I suppose we are bound to say something which will catch the ear of the Joint Select Committee or better still of the Secretary of State and His Majesty's Government so that some improvement might be made. Now, the first and most important thing I would invite the attention of this House to is that there is no sufficient safeguard provided against interference with religion and religious rites and usages and ancient culture of the various communities inhabiting this land. From the beginning they have been protesting that they were going to incorporate the necessary safeguards for the same. It was one of the fourteen points raised by Mr. Jinnah and it suited exactly also the idea of the orthodox Hindu community as well; and as the Muhammadans are a more powerful community and as by chance at the present time they are able to carry everything before them, we thought we had better not trouble ourselves very much about it except that in our interviews with His Excellency the Viceroy we pointed out the necessity of sending somebody to represent the orthodox view before the Round Table Conference. But, for some reason or other, we have not been able to succeed in that, probably because not having shouted sufficiently loud our existence has been completely ignored by the Government. Therefore, they said that there were already too many people and somebody or other would espouse our cause. But what, however, is more important is that we were told that the British Government have already decided that due and adequate protection or safeguards, as the word goes, will be given to protect the religious rites and usages and ancient culture of the communities that inhabit this place. Now, what is it that they have done? Paragraphs 119 to 121 on page 58 contain, as far as I can see, the first pledge with reference to this subject. There may be other paragraphs, but my industry has not enabled me to find out if there are any more.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): Read paragraph 122 also.

**Raja Bahadur G. Krishnamachariar:** That paragraph relates to discriminatory legislation, to which I will come later. Paragraph 119 says:

"The consent of the Governor General, given at his discretion, will be required to the introduction in the Federal Legislature of legislation which repeals or amends or is repugnant to any Act . . . . . in relation to the management of currency and exchange or religion or religious rites and usages . . . . ."

So, Sir, the safeguard, that is vouchsafed to us to prevent undue and thoughtless interference with our religion and culture which might bring popularity in the country for the time being, would eventually be absolutely ruinous to the country and its ancient culture and its religion. I wish to protect the community against it. The consent of the Governor General for federal legislation—a similar provision is provided for the Governor in the Governor's provinces in the next clause—'given at his discretion will be required for the introduction' of a measure in the Legislature. Now, Sir, in reply to our deputation the other day His Excellency the Viceroy said the same thing. I would respectfully point out here and through this House to the Government of His Majesty in England that that protection or safeguard is absolutely illusory and would be of no use whatever. Now, why do I say that? A provision similar to that is in existence in the present Government of India Act and was in existence in the Government of India Act of 1861. Now, Sir, the Government of India Act of 1861 was too near the mutiny and Lord Canning made the Proclamation that it was not the intention of the British Government to interfere with the religion or the religious rites and usages of any community in India and that, God willing, they would not interfere hereafter with those things. Those were the days of greased cartridges; those were the days when everything was shaking to its foundations. Then came the Queen's Proclamation which in definite terms said that there shall be no interference with religion. That was in 1858. In 1861, when they passed the Government of India Act, it was laid down that the previous sanction of the Governor General in Council shall be obtained, among other things, in regard to a measure which affects the religion or the religious rites and usages of the communities inhabiting British India. Now, Sir, how did it work? For a long time it worked very well. In 1872, the Special Marriage Act was passed and in 1910, 1912, 1914 and 1916 various Bills were introduced which had the effect of interfering with the provisions of the Hindu law. Home Member after Home Member sat very heavily upon those proposals and iterated and reiterated the principle of religious neutrality. They expressed themselves that the Government of India were trustees to the helpless millions of India, and they were very strong upon the matter with the result that in some cases the Bills did not go beyond the introduction stage and in other cases they were not referred to a Select Committee. Before the Reforms, there was a Bill, however, in which the principle underlying a section of the Act of 1861 was discussed in the predecessor of this Assembly. That was in 1891, during the Viceroyalty of Lord Lansdowne, and the Bill was generally known as the Age of Consent Bill. That was an amendment of section 375 of the Indian Penal Code of which my Honourable friend, Sir Hari Singh Gour, is not yet tired of beating and beating. When that Bill was first introduced, there was a hue and cry in the country. The cry came mostly from Bengal.

With regard to the principle of previous sanction contained in the Act of 1861 His Excellency Lord Lansdowne said as follows:

"Cases where demands are preferred in the name of religion would lead to practices inconsistent with individual safety and the public peace (*Mark these words*) and condemned by every system of law and morality in the world, it is religion and not morality that must give way."

No one in his senses and no one who has got even the slightest education would quarrel with that enunciation of the position:

"In cases where there is a conflict between the interests of religion and those of morality, the Legislature is bound to distinguish if it can between essentials and non-essentials, between the great fundamental principles of the religion concerned and the subsidiary beliefs and reactionary dogmas which have accidentally grown around them."

That, Sir, is the principle which His Excellency Lord Lansdowne said would guide the Governor General in the application of the section which requires the previous sanction of the Governor General for the introduction of measures of that sort. Now, Sir, as time passed, various other measures were introduced and, although sanction was given in some cases, that sanction became useless as the Bills were not allowed to proceed beyond the second reading stage. Then came the Reforms. There was a large number of representatives of the people added on to the Legislature and the first measure that came before the Reformed Council was the Child Marriage Restraint Act. I will not say the Sarda Act, because my Honourable friend, Mr. Sarda, is not particularly happy when you call it the Sarda Act. (*An Honourable Member:* "Why?") I do not know; you had better ask him that question. He says: "Do not call it Sarda Act", and how can I answer for what he says? However, at that time admittedly, so far as the Hindus were concerned, the Bill was a direct interference with their marriage laws. Sir James Fitz-James Stephen, one of the most brilliant Law Members that ever adorned the Chair which my Honourable friend, the Leader of the House, now adorns, said that among the Hindus "marriage and religion stood for one and the same idea". Therefore, there is no question that so far as the marriage law embodied in the Child Marriage Restraint Act was concerned, it was a direct interference with the religion and the religious tenets of the Hindus.

12 Noon. Now, Sir, sanction was given to introduce the Bill. My objection is that the sanction should not have been given. If the sanction was merely a formal matter, if the sanction was only a matter of course procedure which nobody can trouble himself about, I can quite understand the position. But if behind the sanction there is a discretionary power, there is a necessity to consider the pros and cons and then come to a conclusion consistently with the fundamental principles, I say that sanction ought never to have been given, because, as I said, it was admitted there was an interference by that measure with the religious tenets of the Hindus. Now, Sir, the sanction was given and yet a section similar to that which obtains in the 1861 Act does exist in the present Government of India Act. Did it operate as a protection? No. Once the sanction is given, once the flood-gates are opened, it is impossible for anybody to stop the current from running its own way and culminating in the passing of a measure, however obnoxious it may be to the majority of the community whose religion it affects. Consequently, I take it that when the Legislature held that the previous sanction of the Governor General should be obtained, it meant something more than a mere formality. What procedure is followed by the Governor General, I do not know; I tried to find

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it out, but for some reason or other I have not been able to find out the circumstances and conditions under which that sanction is given. However, the point is, you find that the existence of the power to give previous sanction to the introduction of a Bill did not prevent its introduction into the Assembly. We have got this Temple Entry Bill and the Anti-Untouchability Bill. These are admittedly Bills which do interfere with religion, and, in spite of the very strong protests that some of us made, sanction was given; but, fortunately for us, a solemn promise and a promise which I think would go a great deal to minimise the grant of the sanction has been given that a full and complete inquiry will be made regarding the sense of the community from all interested quarters before the Bill would be allowed to proceed. But that is not the point. That these two Bills have been allowed to be introduced and that the Legislature has been allowed to discuss the matter which admittedly interferes with the principle of religion is, what I submit, objectionable, and I say that the provision I cited is no sufficient safeguard to prevent that sort of thing. In this connection perhaps I might invite the attention of the House to an observation made by Pandit Kanhyalal as member of the Age of Consent Committee. He says:

"The responsibility of agreeing or refusing to sanction still rests with the Governor General, but the Government must naturally find it increasingly difficult to oppose a demand for social legislation persistently urged by the people or their elected representatives."

That is just what has happened; and it is to that that I object, and I say there ought to be a specific, effective and undoubted safeguard to protect us against this carping, cavilling and thoughtless interference with religion, interference by people who never made a study of it, nor have any respect for it, interference by those persons regarding whom I read an extract the other day from Ludovici's book, the multiplication of nobodies.

Now, there is another clause in the White Paper which even minimises this thing. This is in paragraph 121:

"But an Act will not be invalid by reason only that prior consent to its introduction was not given, provided that it was duly assented to either by His Majesty, or by the Governor General or Governor, as the case may be."

Now, Sir, the position created by this clause worked as follows in practice. When the Child Marriage Restraint Act was under discussion before this Assembly, we led a deputation from Southern India and asked His Excellency Lord Goschen not to assent to this Bill until at least His Excellency Lord Irwin returned from his leave. His Excellency Lord Goschen was unable to do it; he was unable to agree to our request, because the original sanction having been given by His Excellency Lord Irwin, it would not be fair and right that he should stop giving his assent to that Bill and thus delay its operation. Consequently, Sir, the fact is that where it escapes one trouble it falls into another trouble. So between these two the result would be that there would be in effect absolutely no safeguards whatsoever against useless and at times malicious interference.

Then, Sir, there is another portion of the White Paper which I suppose has something to do with it, because it is in that way that we wanted that provision should be made. It is the section headed "Fundamental Rights"

at page 29. They say that it is not possible to embody it in a statute and then they say:

"His Majesty's Government think it probable that occasion may be found in connection with the inauguration of the new Constitution for a pronouncement by the Sovereign, and in that event, they think it may well be found expedient humbly to submit for His Majesty's consideration that such a pronouncement might advantageously give expression to some of the propositions suggested to them in this connection which prove unsuitable for statutory enactment."

Now, Sir, I am not a Parliamentary draftsman and I do not know how far the fundamental rights which have been enumerated in that report of the All-Parties Conference could or could not be embodied in a statute. Though I am not trained in Parliamentary drafting, it seems to me that there does not seem to be any difficulty in embodying them as a few sections in the future Government of India Act. However, supposing that it is not possible to do so, I very respectfully submit that this Royal Proclamation, this alternative suggestion made by the White Paper will be absolutely no good. You know, Sir, that when the Ilbert Bill agitation was at its height the Member of Government repudiated the Queen's Proclamation. They said it was a diplomatic document. This was said by Mr. J. H. Thomas, a man from Madras and from Tanjore and Sir James Fitz-James Stephen added his authority to it. They said that it is not a statutory enactment and, therefore, not binding upon anybody, and that consequently it could not be relied upon in favour of the grant of equal rights regarding the trial of Europeans by Indians. So far as that was concerned, they in effect protested that the Queen's Proclamation has absolutely no value though Lord Ripon indignantly protested against such whittling down of the Queen's words. The same will happen to your Royal Proclamation, however solemn it may be. They say that Governor's or Governor General's Instrument of Instructions would also contain some provision to that effect. It may or may not have any effect, I do not know. It depends upon how it is decided when it goes before a Court to see what legal effect it has or had; it would be dealt with by a class of officials.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member has taken over half-an-hour.

**Raja Bahadur G. Krishnamachariar**: There is only one point more if you will allow me. I wish to say something about the Federation. I shall compress the whole thing and say in as few words as it is possible, if you will allow me to say that, Sir, because it is an important matter and there are very few Members who are acquainted with the inner working of the Native States and the possible result of Federalism. So far as Federation is concerned, it is said that the Federation would come into existence when the Constitution Act will come into force, when the Princes know exactly how the whole thing works, and then they would execute their Deed of Accession, and then the Reserve Bank would be established and then if the number of seats allotted to the Princes would be filled and the Budgetary provision of India would be in a satisfactory condition and a Reserve built up. Now, Sir, those conditions are such that we might have to wait till the Greek Calends, until all join together and enable these people to bring the Federation into existence. Why trouble about the Federation? I found that so far as the Princes are concerned, my Honourable friend, Sir Cowasji Jehangir, said that if the Princes do not come, let them beware they will come into a great trouble unless it be that they would be forced to come. I wish he had developed

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and said in two or three sentences how they would come to this trouble. These gentlemen are capable of taking care of themselves whether they are fools, as my Honourable friend, Mr. Ranga Iyer, said, or whether they are the wisest men on the face of the earth. I am not pleading for them. I know . . . . .

**Mr. C. S. Ranga Iyer:** I did not say, if I may correct my Honourable friend, that they were fools. I said that they were not fools.

**Raja Bahadur G. Krishnamachariar:** Sir, I will tell you how they would be at a disadvantage. It is said that after their execution of these Instruments of Accession, no powers will be exercised outside the four corners of the concessions granted. I shall tell you how declarations of this sort work in actual practice.

Now, Sir, there was a concession of the cession of the Railway jurisdiction in Hyderabad. They have got a formula in the Foreign Office "Whereas by express Treaty and Usage" and they have been exercising their jurisdiction over the railway by arresting people unconnected with the railway affairs. It took three years and it had to go to the Privy Council before a simple principle that as the fountain could rise no higher than its source the British Government could not have power more than was granted to them by the Nizam, and yet all these years intervening they were playing havoc with these cessions that the British Government took. Then, directly you bring them into the Federation, as was observed, you might instil into the minds of the Princes ideas of democracy. Times are alleged to be progressive and you must give them the chance to have their own representation, and what is the effect of representation and what is the position of these Princes? They become mere zamindars. I do not mind it. That is the position they would be reduced to. If that is what you want, say so—don't camouflage. This will be the position if the position of Federation is acceded to. Those are the fears entertained by the Princes in joining the Federation. I know that in 1930 there was a great jubilation when the Princes declared that they would join the Federation and that Federation was going to come soon, so much so that the British Government made Federation a condition precedent to responsibility at the Centre. What these have got to do between them I do not know and the White Paper does not say. I shall invite the attention of the House to a book called "Failure of Federalism in Australia" and I would earnestly request the attention of Honourable Members to that book in order to see how Federalism is going to help us.

Sir, I do not think that I will take much time of the House, but there are only two observations which I would like to make: first in regard to the Services. Having been out of touch with British India for a very long time, I cannot exactly say what the trouble is about the Services and why all these safeguards are introduced. In an Indian State Indians pull on very well with the English people and there is no revolt on the part of Englishmen. There is no request that they were not going to serve an Indian, and some of them were the subordinates of Government. We had no trouble whatsoever. And when an Englishman once enters an Indian State, he does not want to go out of it.

Lastly, Sir, I have been asked to say a few words with reference to the boundary question of Orissa. I know it is not my own subject and there are people better competent to deal with it . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member will be well advised in leaving that for others.

**Raja Bahadur G. Krishnamachariar:** Sir, Mr. Raju, who was to have spoken upon it has fallen ill and Mr. Jogiah, who was a Member of this Assembly, has come up here as a representative of the Andhra Province, and has asked me to make a few observations to this House. I will make only one observation, and the point I would invite the attention of the House to is that in separating Orissa they divide the population into Oriyas and Telugus, and the complaint is that a portion of Berhampore and Chatrapur Talukas of the Ganjam District and the town of Berhampur which are predominantly Telugu are proposed to be joined to the Oriya Province—a decision to which the people object and I submit that for consideration, through this House, of the Joint Select Committee.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Chair would again repeat the appeal that it made yesterday. Honourable Members will find that so many sections of the House are anxious to take part in the debate. The Chair is sure that the House will sympathise with it. During a debate of this nature, the Chair has to satisfy not merely party interests, but various other interests, provincial, religious, communal, minority and special, and, in view of this, the Chair would suggest that no Honourable Member, except under very special circumstances and for very good reasons, should take more than 20 or 25 minutes.

**Mr. N. M. Joshi:** Mr. President, in the short time at my disposal I shall try and examine the Constitution as outlined in the White Paper from two points of view. First of all, I shall try to examine how far the Constitution is likely to work smoothly and, secondly, I shall try to examine how far the Constitution will serve the purpose for which every Constitution in the world is intended, namely, to secure peace and contentment for the people in that country. In the first place, if a Constitution is to work very smoothly, it must be a Constitution based upon trust and confidence in the people, and it must be based, not on fear, but on courage. If a Constitution is based upon mistrust and fear of the people, that Constitution will never work satisfactorily and never serve the purpose for which it is intended.

When the British Government made their declaration that there cannot be a Central Responsible Government in this country unless the Indian States join the Federation, they clearly intended to show their mistrust and not trust in the people of British India. I do not understand why the British people who have ruled for over a century in British India should have more confidence in the people of the Indian States than in the people of British India. The people in Indian States are not more educated than we are: they have not yet shown greater capacity than we have, except perhaps the capacity which they have shown to submit themselves to autocratic rule and tyranny. It may be said that the British Government do not expect that the people of the Indian States will be represented in the new Constitution at all, but that they expect that the new Constitution will be made stable on account of representation being given to the Princes of those States and not to their peoples. To suggest even for a moment that the Princes of those States do not care for the interests of their subjects and will not give any representation to their subjects, but will keep all the representation in their own hands, being afraid of their

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subjects, is not very complimentary to the Princes. Moreover, even taking for granted that the representatives of the States will be the nominees of the Princes, I do not understand how they will make the Constitution a more stable one. If you study the history of Great Britain, Sir, you will find that most of the rebellions and revolts in that country against the Government were those made not by the poor people, but by the nobility of that country. If that is so, I do not understand why the British Government should place greater confidence in the Princes, for making the Government a stable one, than in their own subjects. I sometimes feel that our British rulers do an injustice to themselves. They feel somehow that they have not ruled this country as well as they should have, so that, when the people in this country got freedom, they will not stand by the Government, but will be hostile to the Government. The distrust is greater in the masses of this country than in the propertied classes. They somehow feel that the big propertied classes and capitalists may stand by them and, on account of that fact, they have provided greater representation for the landlords and capitalists, including the Indian and the European, than for the working classes. They have provided a fundamental right for the protection of property, but no fundamental right for the protection of the lives of the poor. (Shame.) It is not that the British Government or the British people have shown want of confidence and distrust in the people of British India alone, but let me make it clear that they have no more confidence even among the Princes and the propertied classes of this country. If they had confidence in them there would have been no safeguards such as are proposed in the White Paper. The very representation given to the Princes and to the propertied classes would have been a sufficient safeguard; but the British Government have very little confidence in these people and, therefore, they have provided these safeguards. My Honourable friend, Sir Leslie Hudson, said yesterday that as a labour representative I should not be against the provision of what he called safeguards for machinery. Let me make it . . . . .

**Sir Cowasji Jehangir:** May I ask the Honourable Member to tell the House what percentage of the male population of India is going to get the vote?

**Mr. N. M. Joshi:** I shall come to that question later on. Let me proceed on my own lines. He said that, as a labour representative, I should be in favour of safeguards. I am in favour of safeguards, as are provided in all Constitutions: safeguards are necessary not only for Indian machinery: safeguards are necessary even for British machinery. The British machinery and the British workman are not immune from accidents from machinery: there are safeguards in the British Constitution and we shall certainly not be against the provision of such safeguards as are provided in the Constitution of other countries. But these safeguards, which are provided for the machinery in order to prevent accidents, are not intended to prevent the smooth working of that machinery. But, unfortunately, the safeguards provided by the White Paper are safeguards which will prevent the machinery working smoothly and sometimes may even cause a breakdown of that machinery. It is on account of these facts that we are against some of the safeguards which are proposed. I do not wish to deal with these safeguards in detail. I shall only make a few remarks on some of them.

Take the first safeguard: the safeguard as regards Defence. If power is given to the Governor General in all matters regarding Defence, including the matter of declaring a war, may I know, how the judgment, unassisted by any one, of the Governor General is safer than the judgment of a Legislature in the matter of the declaration of a war? I thought that there was more safety in the judgment of the many than in the judgment of one man. (*An Honourable Member:* "Question.") My own feeling is that if there is any fear of this country being plunged into a war, it will be due to the hasty judgment of one individual than to the judgment of a Legislature.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): But is there any country in the world where a Legislature declares war?

**Mr. N. M. Joshi:** The Government of the country declares war, and if the responsible Government of a country declares a war, it is much safer than a Governor General declaring a war.

I shall come to another safeguard—the safeguard as regards the Foreign and Political Department. In the matter of Defence, a provision has been made that there should be consultation between the responsible Ministry and the Governor General, especially in the matter of fixing the Budget. But, in the case of the Foreign and Political Department, the White Paper does not mention that there will be consultation between the responsible Ministers and the Governor General. Take the Ecclesiastical Department. I do not understand why there should be an Ecclesiastical Department in this country at all. Personally, I have a conscientious objection for being compelled to pay taxation for the maintenance of the priests of any religion, leave aside Christian religion. In the Company's time, there may have been some necessity for the employment of Chaplains at Government expense, but times have changed. We have now in our country more than six million Indian Christians. Why should we make a special provision for chaplains for the benefit of a few thousand European employees in this country?

Then, I shall go to the financial safeguards. These are all based upon one fundamental premise, and that is that England being a creditor country must have guarantees that the security on which the loans are given will not be imperilled. I am not one of those people who hold that a debtor should not pay his creditor. A creditor has a right to receive all the loans which he has given. But a creditor has no right to regulate the life of a debtor. That idea may have been accepted in the dark ages, but it cannot be accepted in modern times. Moreover, Great Britain has given loans to other countries almost equal to the loans given to us, without insisting upon control being exercised upon the finances of those countries. Great Britain has advanced money to Brazil, without insisting upon control being exercised on their finances.

There is a safeguard as regards the Reserve Bank upon which I wish to say one word. It is said that this Reserve Bank should be free from political influences. I do not understand how a Reserve Bank can be completely free from political influences. As a matter of fact, some of the important Reserve Banks have shown political leanings and have played important parts in politics. The Bank of England caused the fall of the late Labour Government. I do not understand why a Reserve Bank should be free from politics. What is meant is perhaps that the Reserve



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Bank should have only one kind of politics, namely, the capitalist politics, and it should be free from any other kind of politics. The modern tendency is that there should be greater State control on the banking institutions, and we are now going back to the old times when people said that there should be no political influences in a Reserve Bank, meaning thereby that there should be only capitalist politics in a Reserve Bank.

Then there is the safeguard regarding the Statutory Railway Board. I am not one of those who think that a Legislature of this kind is the proper organization for the management of Railways, but I feel that as the tax-payer in this country is ultimately responsible for paying interest on the loans which have been taken for our Railways, the ultimate responsibility for the management of the Railways will be with the representatives of the tax-payers. I, therefore, feel that if an organization is to be formed for the management of Indian Railways, it should be an organization established by the legislation of this Legislature. Secondly, I feel that if an organization is to be brought into existence for the management of Railways, it should be an organization on which all the interests should be properly represented. The railwaymen must be properly represented on that organization, and, secondly, all those who pay towards the maintenance of those Railways should be properly represented, and among the interests I mention there are two which are most predominant. The first interest is the interest of the third class passengers who contribute most of your passenger traffic revenue, and the second interest which I would like to be represented on the Statutory Railway Board is the interest of the poorest cultivator in this country who contributes the largest goods traffic to your Indian Railways.

I shall now deal with safeguard as regards the excluded areas. I take it that these excluded areas are to be the areas which are occupied by what are called the backward and the hill tribes. I do not understand why these backward and hill tribes should be denied the protection of a Legislature. How are they going to be better protected by being an excluded area under the sole charge of a Governor? If you study the history of these backward areas, you will find that on account of their backwardness, on account of their being treated as excluded areas, even practices like forced labour are still existing in some of those backward areas and among many of those backward people. There is hardly any law in those backward areas which are to be excluded except the law of the will of the District Officer or whoever may be the other officer in charge. I, therefore, think that it is wrong that these excluded areas should be given to the sole charge of a Governor as a protection to the backward people.

There is one more safeguard which has been provided, namely, that the Governor General will have the power to arrest the course of discussion of any subject which is reserved to his sole responsibility. I can understand the Governor General having special power for purposes of defence or any other reserved subjects to spend money or to pass any legislation for Defence but why should the Governor General have power to prevent discussion on any of these subjects? Is it not enough if he has the power to take whatever amount of money he likes, to pass whatever legislation he likes. But, Sir, to prevent discussion of his action is an intolerable situation. I do not wish to deal with these safeguards any more. I shall now deal with . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member has taken twenty minutes.

**Mr. N. M. Joshi:** I am sorry, Sir, but I shall try to finish as early as possible.

**Mr. President,** I shall now deal with the question of how far the Constitution is likely to serve its purpose, namely, to make the people happy, contented and prosperous. The condition of the masses in this country has been miserable. It has been miserable for a very long time, for centuries. They were ruled by the Moghuls for centuries and, they are being ruled by the British now for more than a century, but their condition is the same. The condition of the working classes is so bad that I have always felt humiliated whenever I went to Europe and had talks with the people from other countries. We have been told several times to our faces that the condition of the working classes in India has been a drag upon the condition of the working classes in other countries. We want, therefore, that any Constitution which we may prepare will be such that the condition of the working classes improved and it will no longer remain what it is today. For that purpose, Mr. President, the first necessity is that the working classes should be properly represented in the Legislatures which we shall establish. The proposals in the White Paper have not gone far in that respect. It is true that some special representation has been provided, but it is much less than what is necessary and what is justified by the population of the working classes in this country and in the case of the Upper Chambers it is entirely denied. I, therefore, hope that the representation given to the working classes in the Legislatures will be substantially increased and representation shall be provided for them where it is not done.

Then, Mr. President, the qualifications laid down for franchise are not such that the wage earning classes are likely to get a share in the representation given to the general constituencies. Property still remains the main qualification for franchise. I suggest for the consideration of Government that they should accept wage earning as a qualification for franchise. It is only by the acceptance of that qualification that the working classes in this country will be enfranchised. As regards franchise, there is one more point that I would like to make and it is this. Although I feel that there are no difficulties in the way of the establishment of adult suffrage, still we reconcile ourselves to the position that adult suffrage may not be introduced immediately, on one condition, and that condition is that the future expansion of the franchise should be automatic, that a provision should be made in the Constitution itself that, after five years or ten years, the number of voters on our electoral rolls shall be doubled or shall be increased in certain proportions. If we leave the expansion of the franchise to the Indian Legislature, it is not very easy to secure an expansion of that franchise. I cannot understand how a Legislature which is elected on a higher franchise will be willing to commit suicide and agree that the franchise shall be expanded. The history of England has shown, the Parliament has always placed difficulties in the way of expanding the franchise. It is true it expanded, but very slowly. I, therefore, feel that our Constitution should provide for an automatic expansion of the franchise.

Then, Mr. President, labour legislation is a very important matter from the point of view of the working classes. The White Paper provides that



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labour legislation of certain kinds shall be within the concurrent powers of the Provincial and Federal Legislatures. I should have thought that if we are going to have a Federation, labour legislation should also be made a Federal subject and should be made applicable to Indian States also. The Royal Commission on Indian Labour have pointed out the desirability of that step being taken. The Government of India in the White Paper proposes that labour legislation shall be made a subject of concurrent jurisdiction. But even in that respect the White Paper suggests that not all labour legislation shall be a subject of concurrent jurisdiction, but only certain types of labour legislation. The White Paper provides that legislation on health insurance and old age pensions shall be provincial subjects. I do not understand, Mr. President, why the Government should have made this difference.

Then you must remember that the Constitution provides that the Government of India cannot pass legislation throwing any financial burden upon the Provincial Governments or the Provincial Legislatures. If that is so, the Government of India must take powers to spend money on the kind of legislation which they will pass. They have proposed that factory administration shall be provincial while factory legislation shall be a subject of concurrent jurisdiction. Now, Mr. President, if our factory legislation throws any financial burden on the provinces, that legislation may become invalid. I, therefore, suggest to the Government of India that they should take steps by which the Central Legislature, when it passes legislation, shall have the power either to spend money on that subject itself or to pass legislation throwing financial burden upon the Provincial Governments.

There is one more point and that is the point regarding the ratification of international labour conventions. The White Paper provides that external affairs including international obligations subject to the previous concurrence of units as regards non-Federal subjects will be a Federal subject. If the ratification of international labour conventions is subject to the previous concurrence of units, how is India going to ratify the conventions of the International Labour Conference? In the first place, I do not understand exactly the meaning of the expression "the previous concurrence of units". Does it mean previous concurrence a majority of the units, or does it mean the previous concurrence of all the units? If it means a majority of the units, there is at least some chance of some conventions being ratified, but, if it means concurrence of all the units, then there is absolutely no chance of any convention of the International Labour Conference being ratified at all. Then, on account of the very fact that our Constitution is going to be a Federal one, by the Constitution of the International Labour Office itself the conventions of that organisation may be treated as recommendations by any country which has a Federal Constitution. On account of the Constitution itself being Federal, we shall lose some amount of the protection which the International Labour Office has given to us. But if we do not make labour legislation a Federal subject and if the Federal Government do not possess the power to ratify the conventions without the concurrence of all the units, then, Mr. President, whatever little protection the international labour organisation has given to the workers in this country will be lost entirely.

There is one more point which I shall touch upon as regards the division of subjects, Federal, Central and Provincial, and that is the subject of emigration. The White Paper has provided that emigration from and immigration into India is a Federal subject. Similarly, inter-provincial emigration and immigration is also a Federal subject. But the White Paper does not provide that emigration from and immigration into, not as between provinces, but as between one unit of the Federation such as Indian States and British India will be a Federal subject. Unless that is done, British India will be at a disadvantage. The Indian States, being represented in the Federal Constitution, will certainly prevent our passing any legislation prohibiting the working classes from Indian States coming into British India, while the Indian States will have the full right to prohibit the entry of British Indians into their States. I, therefore, suggest, Mr. President, for the consideration of Government that not only the inter-provincial emigration and immigration should be a Federal subject, but emigration from and immigration into one unit of the Federation to the other should also be a Federal subject.

Then, there is one small point about taxes. Among the proposals which have been made for taxation, there is one proposal which many Members may not have noticed. Some of the resources have been allotted to Provincial Governments and, among them, I find mention of the taxes on employment, such as taxes on menials and domestic servants. I do not understand why any Provincial Government should levy such a poll tax as a tax on menials and servants. (*An Honourable Member*: "It is done now.") I suggest it is a wrong thing. You can realise the feelings of the Indian Civil Service and the Indian Police Service if we have a tax for them alone. But so long as we have not imposed taxation on employment of people, such as the Civil Service and the Police Service, it is not just that we should make provision for a tax like the tax on menials and domestic servants.

Then, there is one important point and that is as regards fundamental rights. It is proposed in the White Paper that there is to be a fundamental right for the protection of property. I do not wish to say a word about that fundamental right, but if Government proposed to protect the properties of the rich, I would like to know why they should not try to protect the lives of the people of this country. The first fundamental right in this connection ought to be the right to work, which means the right to live. If people do not get work, of what use is the Government. The first concern of a Government is to provide work and enable people to live, and as people are not enabled to live, I do not know why any people should care for that Government. Take the British Government. They recognise this right to work and to live. Similarly, our Government should, when they try to establish a fundamental right for the protection of the property of the rich, also have a fundamental right for the protection of the lives of the poor. Sir, I have done.

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

**Mr. Amar Nath Dutt:** Sir, I beg to move—  
 “That for the original motion the following be substituted:  
 ‘This Assembly requests the Governor General in Council to convey to His Majesty’s Government that, in the opinion of this Assembly, the proposals.  
 Honourable Mr. R. K. Shanmukham Chetty):  
 ... making his amend-

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. If the Honourable Member insists on moving his amendment, the Chair would have no objection, for one reason that the Honourable Member wants to express a definite opinion on the question of the

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electorate. But the Chair would suggest to him that in case he makes up his mind to move his amendment, he might move it in the following form. It will be more convenient to the House if, at the end of the amendment of Sir Abdur Rahim, the following be added:

"That this Assembly further requests the Governor General in Council to convey to His Majesty's Government that, in the opinion of this Assembly", and so on.

That would make it more convenient for discussion.

**Mr. Amar Nath Dutt:** As suggested by the Chair, I beg to add to the amendment of Sir Abdur Rahim my amendment which runs as follows.

"That this Assembly further requests the Governor General in Council to convey to His Majesty's Government that, in the opinion of this Assembly, the proposals of His Majesty's Government for Indian Constitutional Reforms are wholly unsatisfactory and are a retrograde step, so far as the introduction of Responsible Government in India is concerned, unless the proposals are substantially amended so as to make the Indian Government responsible to the Legislature composed of members returned by joint electorates without reservation of seats on the basis of race or religion from provinces constituted after redistribution of boundaries on racial, ethnological and geographical basis."

The discussion that has taken place in the House on the White Paper for a day and a half has left this point of my amendment undiscussed. That being the case, I think I should not waste the time of the House by discussing all those points which have been discussed by previous speakers when speaking on Sir Abdur Rahim's amendment. I shall confine myself to the points I have raised in my amendment.

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necessary to have communal representation. I beg to submit, Sir, that the minority interests can be amply secured by the declaration of fundamental rights, as is done in every other country in the world and, further, that if any minority community thinks that it will fail to secure fair representation by a joint electorate, then the rule of election by the single transferable vote can be adopted to ensure their adequate representation according to proportion in the Legislature. (Interruption by Lieut.-Colonel Sir Henry Gidney.)

Sir, I do not yield to my gallant friend as I have to finish my speech within the short time at my disposal. Sir, I think the subject of joint electorates has been so thoroughly discussed everywhere that it does not require much time to convince this House of the necessity of joint electorates for the growth of healthy nationalism in this country. Sir, we never used to think before communally. Whether it is the fault of this community or that community, I am not going to touch upon, but, I may say, communalism in one community provokes unhappy communalism in another community (Hear, hear); and if we are to live in peace and amity in this great country of ours, which is the dear motherland of both the minority and the majority communities, I think we should not think in terms of communal interest, but in terms of national interest. (Hear, hear.) Sir, it may be said that these are all pious hopes and catch phrases. (Sir Muhammad Yakub: "Too pious.") Sir, my Honourable friend, the Leader of the European Group, yesterday gave as the history of the Legislature in this country. He said that the people of this country lived happily—I do not remember his exact words—but, so far as I remember, he said that the executive in those days was tempered by the advice of nominated Members of the Legislature. Sir, I shall give the names of the first three nominated Members who were then called Additional Members of the Governor General's Legislative Council. They were: Raja Sir Dinkar Rao, Sir Salaar Jung, and the Maharaja of Burdwan.

Sir, I do not know how far these three gentlemen, however eminent they might have been—at any rate the life history of the latter I know full well—however eminent they might be, I wonder really how they could possibly influence the judgment of such brilliant Executive Councillors like Sir Barnes Peacock, Sir Henry Sunner Maine and others. Be that as it may, the executive of India continued to be tempered with the advice of such officers and not of the representatives of the people of India in those times such as Ram Gopal Ghose, Harish Chandra Mukerji, and others or, later on, by men like Dadabhai Naoroji, Kristo Das Paul, and others. Then the Indian National Congress came into existence—I hope that the mere uttering of the name of the Congress will not be anathema in this House—and when I speak of the Indian National Congress, I speak of the Congress before the non-co-operation days (Hear, hear); I am speaking of that Congress of which myself and my ancestors were members. (Hear, hear.) Sir, I can visualize to myself the days when, as a boy, I attended, more than 42 years ago, the Calcutta Congress of 1891. Sir, it was just before those days that an eminent British politician, Mr. Charles Bradlaugh, came to India. Sir, he said that his sympathies were not bound by any racial or geographical limits, and that he wanted to have some sort of representation for the people of India in the Government of India, and the result was that the Legislative Councils with powers of interpellation came into existence in pursuance of Viscount Cross's Bill.

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Now, I come to the redistribution of provinces. Sir, the British Indian provinces were constituted long ago and I think circumstances have changed and there should be redistribution under the present circumstances and

new Constitution. For a guidance in these matters, I would refer all impartial men to a document which was published 28 years ago, in the year 1904, by Mr. Prithwis Chandra Roy. It is called the Map of India. I have never found a better solution of the division of the territorial boundaries of the provinces of India than the one that was given out in this book. I need not go into the details as to what is given in that book, but I do submit that the necessity for having a redistribution of territorial boundaries has arisen. Sylhet, which formerly formed part of Bengal, was taken away from Bengal and given over to Assam. The population there is Bengali and the language spoken is Bengali, but the people there are linked together with other people. Again, as regards the districts of the Chota Nagpur Division, which are Bengali speaking, they have been linked with the Province of Bihar. Then, there is another instance of the new Orissa province which is going to be formed. An attempt is being made to link with Orissa some portion of Madras which they cannot rightfully claim.

Mr. B. Das: I want the whole of Midnapore.

Mr. Amar Nath Dutt: My friend may want up to Saptagram and we are not forgetful of those historical days when they conquered up to Ceylon, but that is no reason why Ceylon should be annexed to Orissa or, for the matter of that, my own district or my own constituency of Burdwan. Sir, I hold in my hand an appeal from a very revered Member of this House who formerly adorned the Opposition Benches and for whom every one of us had the highest regard. I mean Mr. Jogiah, an ex-M. L. A. Sir, it cannot be said that he was speaking from any personal consideration or from any motive of self-interest as may be the case with others who want to take away districts and portions of districts from other people in order to have a separate province for themselves. Here is his suggestion:

"We find that certain portions of the Ganjam district such as the 'B' portions of Berhampore and Chatrapur taluqas which are preponderantly Telugu with the town of Berhampore which has a Telugu majority and other areas such as Parlakimedi are attempted to be amalgamated with the Orissa Province", although the proportion of the Telugus is higher than that of the Oriyas. In fact, it is the Telugus who made Berhampore what it is. Its importance is due to Telugu intelligence and enterprise, and amongst the 75 lawyers, 60 are Telugus, and among the medical practitioners, there is only one Oriya, while there are a large number of Telugu practitioners. Sir, these are some of the instances which I cite to illustrate how redistribution of provinces is abused. I shall try to finish my speech within two or three minutes.

Sir, before I sit down, I beg to observe that this White Paper does not satisfy our aspirations. What those aspirations are, I need not say in my own words, but in the words of one of the greatest Englishmen who ever came to India, I mean Lord Macaulay. He said:

"It may be that the public mind of India may so expand under our system as to outgrow that system; that our subjects being brought up under good government may develop a capacity for better government, that being instructed in European knowledge they may crave for European institutions. I know not whether such a day will ever come; but when it does come it will be proudest day in English history."

I do assert that this consummation so devoutly wished for has come on India and I wish that the Englishmen will play their part as nobly as their ancestors foreshadowed in the words quoted above instead of leaving us to

[Mr. President.]

electorate. But the Chair would suggest to him that in case he makes up his mind to move his amendment, he might move it in the following form. It will be more convenient to the House if, at the end of the amendment of Sir Abdur Rahim, the following be added:

"That this Assembly further requests the Governor General in Council to convey to His Majesty's Government that, in the opinion of this Assembly", and so on.

That would make it more convenient for discussion.

**Mr. Amar Nath Dutt:** As suggested by the Chair, I beg to add to the amendment of Sir Abdur Rahim my amendment which runs as follows.

"That this Assembly further requests the Governor General in Council to convey to His Majesty's Government that, in the opinion of this Assembly, the proposals of His Majesty's Government for Indian Constitutional Reforms are wholly unsatisfactory and are a retrograde step, so far as the introduction of Responsible Government in India is concerned, unless the proposals are substantially amended so as to make the Indian Government responsible to the Legislature composed of members returned by joint electorates without reservation of seats on the basis of race or religion from provinces constituted after redistribution of boundaries on racial, ethnological and geographical basis."

The discussion that has taken place in the House on the White Paper for a day and a half has left this point of my amendment undiscussed. That being the case, I think I should not waste the time of the House by discussing all those points which have been discussed by previous speakers when speaking on Sir Abdur Rahim's amendment. I shall confine myself to the points I have raised in my amendment.

At the outset, I may be permitted to observe that constitutional and political theories have their fops like fashions in dress and manners. I hope Honourable Members of this House will kindly bestow their best attention to what I submit for their consideration. At the outset, I may be permitted to observe that I am not enamoured of Federation. I am a believer in the unitary system of Government and I shall continue to be so in spite of all that has been said up till now in favour of Federation in the future Constitution of India. A friend from behind says, "in spite of temptations". Yes, in spite of temptations to play to the gallery. I realise the compliment paid to me that I have not yielded to temptation. I believe that, in order, to develop full nationalism in this vast continent of India, one unitary form of administration is necessary. Whether it is practicable and feasible in the present circumstances it is for practical politicians to decide. If it is possible, I shall be very glad if British India and Princely India can come together into one unitary form of Government. If it is not possible, then, it will not be beneficial to drag the Princes into the same Constitution with the people of British India. My amendment gives emphasis to two very important factors which have not been discussed in this House, namely, our demand for joint electorates as also for redistribution of boundaries on racial, ethnological and geographical basis. I will not tire the patience of the House by reciting all the arguments in favour of joint electorates unfettered by any consideration of race or religion. I think India is the only country which has got such anomalous representation in its Legislature as communal representation. No democratic Constitution can exist, much less flourish, with such jarring elements for its representation. Time and again it has been said that it will be a rule of the majority over the minority and that, in order to safeguard the minority interests, it is

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Sir, I do not know how far these three gentlemen, however eminent they might have been—at any rate the life history of the latter I know full well—however eminent they might be, I wonder really how they could possibly influence the judgment of such brilliant Executive Councillors like Sir Barnes Peacock, Sir Henry Sunner Maine and others. Be that as it may, the executive of India continued to be tempered with the advice of such officers and not of the representatives of the people of India in those times such as Ram Gopal Ghose, Harish Chandra Mukerji, and others or, later on, by men like Dadabhai Naoroji, Kristo Das Paul, and others. Then the Indian National Congress came into existence—I hope that the mere uttering of the name of the Congress will not be anathema in this House—and when I speak of the Indian National Congress, I speak of the Congress before the non-co-operation days (Hear, hear); I am speaking of that Congress of which myself and my ancestors were members. (Hear, hear.) Sir, I can visualize to myself the days when, as a boy, I attended, more than 42 years ago, the Calcutta Congress of 1891. Sir, it was just before those days that an eminent British politician, Mr. Charles Bradlaugh, came to India. Sir, he said that his sympathies were not bound by any racial or geographical limits, and that he wanted to have some sort of representation for the people of India in the Government of India, and the result was that the Legislative Councils with powers of interpellation came into existence in pursuance of Viscount Cross's Bill.

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[Mr. Amar Nath Dutt.]

cry in the wilderness for the cry goes from Mother India in the significant words of Tagore :

*"Nihangini dharar vishal antar hotdy  
Uthay ekti prashna kishita-klanta soor,  
Aro kotha, dro kata door."*

*"Helpless and forlorn in the world  
The piteous appeal goes wherefor and whither."*

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Captain Sher Muhammad Khan Gakhar** (Nominated : Non-Official) : Sir, I am neither a politician like those who see a serpent underneath every proposal that comes from the Treasury Benches or, for the matter of that, from Whitehall, nor am I one of those who would not have any reforms at all. We must move with the times and, if necessary, we should mark time if the discipline of rank and file is in danger. I do not claim to be an expert on reading the minds of either the people or the Government, but, as a layman, I keep my eyes open, and, without casting any slur or meaning any disrespect to either set of opinion, I wish to express before this House my own views.

During the busy days of the war, I had neither time nor opportunities to study the Indian politician's mind; in those days I was busy elsewhere making it safe for our talking politicians to carry on with their propaganda through lips. What I do know for certain is, that as soon as we had breathing time after the close of the Great War, whose memories are so fresh in our minds, we found all those who had kept away themselves to face the front and never went within sight of the bearing range of the battle field, and kept in touch with us by reading our accounts in newspapers, were agitating for a reward for the great service India had rendered to save the Empire. Perhaps they were right, "Government regarded their silence during the War as a meritorious service to the cause of the Empire".

The promise of August of 1917 had been extracted and, I must say, our countrymen made full use of that promise. The agitation was first confined to the towns and soon began to spread to the villages, because they were told that the villagers were not with them. This led to a big propaganda to spread the infection to the villagers. Thanks to the facilities provided by the Government, in these early stages, this movement spread like wild fire. In order to please those who can never be pleased, they displeased even their friends. The soldiers were no longer required and we found persons, who had been transported for sedition, were appointed Ministers, in the hope that this may prove a good bait for the agitators.

Government thought that by doing so they would silence the vocal section of India, but that was not to be, and Government were soon confronted with an unprecedented situation in the name of non-co-operation. What happened in the different provinces then is known to us all. Swarnaj was promised by Congress and the credulous section of Indian population helped it with men and money. Crores of money were collected for various political funds and were written off.

It seemed at one time that the whole of India was in a boiling pot. The atmosphere cooled down and three sets of people came out of this pot. First, there is the anarchist wing. They believe in methods of annihilation and murders, dacoities, and arsons are their chief mottos. They believe in murders and sensation. Some lives must be sacrificed at the altar of liberty and they are carrying on their ignoble work with some measure of success. They have attempted at the lives of all the Governors and the Viceroy, and even ladies and children have not been spared. The second batch is of extremists, who although inwardly pleased with what is being done by the first batch but are keeping themselves aloof from direct action. They provoke people to set fire to the house of the Government, but outwardly they preach non-violence. This class is more dangerous than the other. They themselves keep aloof. They have large army of brothers and cousins in Government employ, and the movement is kept alive, because these brothers and cousins draw fat salaries and feed them.

The third class is of moderates, who do not know where they are. They want to get every thing out of Government and when the time comes, they join in the chorus of condemnation of Government.

The selfish habit has developed to such an extent that now they are prepared to abuse each other, sometimes on communal grounds and at others on provincial differences. If, in order to meet all these diverse classes of people, Government have provided safeguards against possible misrule, they are fully justified.

Sir, just a few words to my Honourable and learned friend, the Leader of the Independent Party. In supporting his amendment, he asked, whether these proposals were in accordance with the declaration of His Majesty's Government or with the pledges and statements made by the Prime Minister. My answer is "No" to a certain extent, but who are responsible for this? Having had the honour of attending the two Round Table Conferences and being a Member of this Honourable House, I suppose that the majority of Honourable Members will agree with me that it is entirely our faults. The communal fights throughout the country, the terrorist movement, the daily lip fights on communal basis on the floor of this House and mistrust, are not all these sufficient proofs that substantial safeguards are needed in framing the new Constitution? The fall of the Ministry of one of my Honourable friends in Bengal is another proof for the dire necessity for safeguards.

I honestly confess that the ability and the leadership of my Honourable and learned friend is beyond question, but on the grounds on which his Ministry fell need not be repeated here.

I think I should be unjust if I were not to depict Government also in true colours. The last 15 years' struggle has manifested beyond doubt that Government have certain sets of formulae to go by. The first is "To act on lines of least resistance". The second is "To bend before agitation". These two principles combined have taught our politicians to go on as the Urdu proverb is :

*"Bagher roe man bhi bachcheko dudh nahin deti."*

*"Even a mother would not feed a baby unless it weeps."*

So, Sir, the dissatisfaction cannot be avoided.—weep baby must.

Sir, just a few words to my Honourable friend, the Leader of the European Group. As far as I understand, subject to correction, he said



[Capt. Sher Muhammad Khan Gukhar.]

that colossal expenses for extending franchise and other expenses should be seriously considered. We should not fear for the price of colour, when we can buy gold. My reply to this is simply a Panjabi proverb:

"*Sonā gharāi se mehngā nahin.*"

Now, Sir, a few more words and I have done. In the proposed Constitution, all the special interests, *i.e.*, Landlords, Labour, Industrial, Women, Depressed Classes, etc., are given adequate representation in the Central Legislature; but poor ex-soldiers are totally ignored. Their services to the King and Country are well known, and I would be failing in my duty if I do not press upon the Government of India to see, that before the Bill is presented to the Parliament, adequate representation is made in both the Houses for the Indian Army.

In conclusion, I say: "Let the Caravan pass on, but the speed should be kept in with the times."

**Sardar Sant Singh** (West Punjab: Sikh): Sir, on this occasion, one is tempted to look back some two years when our friends of the first Round Table Conference, Sir Cowasji Jehangir, Diwan Bahadur Ramaswami Mudaliar, Mr. Ghuznavi and others came back to India. They landed on the Indian soil full of zeal, full of earnestness, claiming to bring back the message of peace and goodwill for India. Their enthusiasm and earnestness was contagious and it looked as if the British public in England has come to recognise the existence of deep discontent and extensive resentment against the present system of Government in India. They assured us then that they had succeeded in catching not only the eye, but the ear of the British public and they told us that if the most organised and disciplined political body in India, that is, the Indian National Congress, decided to co-operate with the Liberals, the Heaven was near and the self-government would be within their grasp. It must be said to their credit, Sir, that the sincere convictions and deep earnestness of these delegates did succeed in creating an atmosphere of peace. The Indian National Congress began to think and deliberate over their utterances till a religiously minded Governor General, Lord Irwin, succeeded in entering into a Pact with Mahatma Gandhi, the one man in India who could deliver the goods (Mr. A. H. Ghuznavi: "Question"), and the co-operation of the Indian National Congress was secured. There is a voice from my Honourable friend, Mr. Ghuznavi, from whom I least expected it, that he questions this statement. It may be questioned by those who lay behind the screen, but, so far as the public is aware, we did see and the public did realise that the Gandhi-Irwin Pact was signed and was acted upon, when Mahatma Gandhi left India to attend the deliberations of the Second Round Table Conference. If my friend questions this fact on the ground that the Congress was not in earnest about this Pact, I will tell him later on when I will show how this Pact was broken and that he should question some other parties and not the motives of the Indian National Congress.

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**Lieut.-Colonel Sir Henry Gidney** (Nominated Non-Official): It was a good Pact.

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**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhamadan): He is packing up for the Joint Parliamentary Committee.

**Sardar Sant Singh:** If we are to judge from the numerous interviews given by the leaders of the Hindu community, we find these safeguards being condemned, if you look at the interviews given by the Sikhs with regard to this White Paper, we find that they too are horrified at the proposals. The real fact is that India wants bread. India wants to live peacefully. The masses do not care for the Legislatures and the Ministers unless they are a means to that end, that is, to secure more bread to the starving millions of India. The question before us is, is the proposed Constitution capable of giving more bread to the masses through their representatives working in the Legislatures of the country? Will it stop the exploitation and continuous drain of wealth from the country? If it is not capable of doing so, then this Constitution stands condemned. In order to condemn this Constitution, I would not add to that analysis to which it has been subjected by eloquent speakers like Sir Cowasji Jehangir and others; but I am tempted to read a few sentences from the

speech of Sir Samuel Hoare delivered in the House of Commons which should be sufficient to condemn the proposals as they stand. He says:

"The Irish Treaty bore no analogy to the Indian situation. The Irish Treaty broke down, because there were no safeguards. In India the Governor General, the Provincial Governors and other high officials would still be appointed by the Crown. The Security Services and the Executive Officers of the Federal and Provincial Governments would still be recruited and protected by Parliament and the Army would remain under the undivided control of Parliament. Those were no paper safeguards. The heads of Government were endowed with great powers and were given the means of giving effect to those powers."

Now, this sentence in that speech completes the picture of the responsible Government that is intended to be bestowed upon this country. It gave me some shock to hear Raja Bahadur Krishnamachariar, the Leader of the Centre Party, who asked for more safeguards. He wanted to protect the religion. I am sorry he is not in his seat at this time. I wanted to ask him one question: whether the Hindu religion embodies eternal truths or it does not embody eternal truths. If it embodies eternal truths, it stands in no need of safeguards from a Christian Viceroy; and, if it does not embody eternal truths, it must go—it cannot remain.

**An Honourable Member:** That is fallacious reasoning.

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In the end, I will sum up the whole thing in these words. The upshot of the proposals in the White Paper is that if these proposals are given effect to in the future Constitution of India, the future Constitution of India would be responsible Government without any voice in the defence of the country, with very little control over the finances, with Governors and Governor Generals invested with unlimited autocratic powers, with India divided perpetually into warring communities. I am afraid that India must pass through another ordeal of fire before she can convince her master that she is in earnest in gaining freedom. Britishers will never yield. Britain has never yielded. Britain wants to be guided by the Indian Civil Service and the Indian Civil Service in India will never agree to the transfer of power unless it is forcibly wrested from the hands of Britain. Our friends must be very credulous indeed who believe that Britishers are amenable to reason and rationalism. The best brains of India among the moderates exhausted their eloquence and powers of persuasion in England in the three Round Table Conferences, and they failed to carry conviction with their masters. Still our friends think that their reasonable demands will be met by the Britishers. I want to tell them that British bureaucracy has written in large and bold letters an inscription in the Imperial Secretariat Buildings which probably has not attracted that attention which it ought to attract. In that building it is inscribed:

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[Capt. Sher Muhammad Khan Gakhar.]

that colossal expenses for extending franchise and other expenses should be seriously considered. We should not fear for the price of colour, when we can buy gold. My reply to this is simply a Panjabi proverb:

"*Sonā gharāi se meñhā nahin.*"

Now, Sir, a few more words and I have done. In the proposed Constitution, all the special interests, *i.e.*, Landlords, Labour, Industrial, Women, Depressed Classes, etc., are given adequate representation in the Central Legislature; but poor ex-soldiers are totally ignored. Their services to the King and Country are well known, and I would be failing in my duty if I do not press upon the Government of India to see, that before the Bill is presented to the Parliament, adequate representation is made in both the Houses for the Indian Army.

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There cannot be a greater notice to the Indians than that inscribed outside the Imperial Secretariat Buildings.

Lastly I will tell His Majesty's Government this. I will request them to be honest towards India. Be frank and honest. If you do not mean to give us responsible Government in India, do not say so. You have been breaking pledges for about a century, pledges solemnly given by your Sovereign and responsible Ministers. India bled herself white during the last War which you waged for your very existence. You have been lavish in your promises. Today you are playing falsely with us. If you really mean to govern us by the sword, say so. It will not disappoint us. It will enable you to govern us better. You will have the advantage of making us realise our position. We will then adapt ourselves to those surroundings. Do not please deceive us.

Lastly, Sir, I will quote Mr. Asquith in this connection and then finish:

"For the hybrid system, which the Government is about to set up, a system which pretends to be that which it is not, and is not what it pretends to be, for this half hearted compromise there is inevitably reserved the inexorable sentence which history shows must fall on every form of political imposture."

Lieut.-Colonel Sir Henry Gidney: Sir, I was about to address this House as one of the members of the three Round Table Conferences, but I am quite prepared to accept the category into which the last speaker put me as "One of the others". But in whatever capacity it be, I have been studying this book which goes by the very simple name of the "White Paper" and, before I attempt to criticise it, I desire here and now to pay my humble tribute to its author, Sir Samuel Hoare, for having played the game with the Third Round Table Conference. I say this, because he has faithfully portrayed in this paper all the promises he gave to us at the Third Round Table Conference and when one plays the game, my task as a critic is made easy as well as almost unnecessary. For this reason, Sir, this paper has well earned its name—"The White Paper".

Mr. Gaya Prasad Singh: Absolutely white.

Lieut.-Colonel Sir Henry Gidney: Absolutely white. It has been called in some places the Black Paper; some one else has called it the dusty paper. But whatever it be, we all know that in its manufacture paper is the finished product of a lot of things, some picked up from the waste paper baskets, other things from the streets, old rags, pieces of paper, etc., and that these are mixed, then bleached, and the result is a piece of white paper, and that is the paper that has been presented to us—a paper the product of many many things dating from the early period of the Morley-Minto Reforms, including the Nehru Report, the Simon Report and the Reports of the three Round Table Conferences. Some may call this rubbish, others substance, in this book Government have called it the White Paper, and we are asked today to polish it and glaze it, not gloss it over by our analysis of its substance. Sir, in my efforts of polishing it, I propose to make a few remarks on this White Paper that is presented to us and which we have been deliberating on for so many days.

Before doing so, I feel it incumbent on my part to say just a few words on that part of the Paper which relates to the community I represent in this Honourable House. There are many minor communal points to which I shall not refer, but among these are two very important matters:

to which I should like to advert. One refers to the disenfranchisement of a large body of people of all communities living in the seceded territories or areas of India. This omission may not seem a significant fact, but it is so. In no part of the Franchise Report has that Committee made any electoral provision for any community living in any of these seceded territories demarked in Indian States. I had occasion at the last Round Table Conference to bring this fact to the notice of the Secretary of State for India who promised to make inquiries. I, however, find no mention of it in the White Paper. I have no doubt that inquiries have been made from the Government of India as was promised, but, so far as it concerns my community, it disenfranchises nearly one-sixth of the Anglo-Indian community of India. I refer particularly to the town of Bangalore which, with a communal population of nearly 20,000, has not got a single vote or representative in any Legislature.

The only other communal point that I wish to touch on before I come to the main points of the White Paper is regarding the four seats that have been given to the community in the Federal Assembly and with which I am very satisfied. The Anglo-Indian problem, Sir, is not a political problem; it is mainly an educational and economic one, and with these four seats that have been distributed, one each to Bengal, Madras, Bombay and U. P., it means that the rest of the community in India is disenfranchised, which, I submit, is quite unfair. I would suggest to the Government that they should apportion the electorates and constituencies for these four seats in such a manner that into each of these four Provinces named, other Provinces will be included and so India would be divided into four geographical areas for these four seats. For example, Bengal would include Assam, Bihar and Orissa; Bombay would include Sind, Baluchistan, Ajmer-Merwara, Rajputana; U. P. would include C. P., Punjab, Delhi and the N.-W. F. P., and Madras would include Bangalore, Hyderabad, Coorg, Cochin and Travancore and other seceded areas. In this way the entire community, scattered as it is throughout the length and breadth of India, would be given a vote and would be educated in the true political sense.

I now turn my attention, Sir, to other more important matters. I went to the Round Table Conference, I frankly admit, as a beggar. My friend, Mr. B. Das, disclaimed any such status. He said he did not go as a beggar, but I do remember one day walking along the virtuous end of Parliament Street, and seeing my friend, Mr. Das, carrying an enormous beggar's bowl which hid him, but underneath it was written the word "Orissa". He was begging from one and all for his Province, Orissa. He now comes to this House and says, he begged for nothing. Sir, I admire even an honest extreme Congressman, but I do not admire a Congressman veiled in the disguise of a Member of the Independent Party of this House as is Mr. B. Das. I am sorry to say that this infection has affected my dear friend, Sardar Sant Singh, who sits near Mr. Das, and who has talked as a non-communalist, whereas every word the Sikhs uttered at the Round Table Conference was pregnant with communalism. His own representative at the First Round Table Conference gave us a surfeit of communalism and he was the real cause of the minorities at the First and Second Round Table Conferences not being able to arrive at a settlement over the fight. Indeed it was because he haggled over one seat that the Muslim-Sikh problem in the Punjab was wrecked and which evoked the Communal Award from the Prime Minister and so humiliated the whole of India.



**Mr. Lalchand Navalrai:** We, Hindus, never advocate communalism.

**Lieut.-Colonel Sir Henry Gidney:** The Honourable Interruptor does not belong to the Punjab. I am speaking of the representative of the community to which my friend, Sardar Sant Singh, belongs—not a Sindhi.

Sir, I frankly admit that I went to the Round Table Conference as a beggar and with a beggar's bowl, and I am very grateful to my Indian brothers for helping me get what I wanted and for the things they so gladly and freely put into that bowl, and I am very pleased with it. I take this opportunity of paying a public tribute of heartfelt thanks to my Indian brethren for having put into that bowl what I asked for. I say, Sir, that I owe them a deep debt of gratitude, because they have given me what I wanted. I refer particularly to the education grants-in-aid as embodied in the Irwin Report on Anglo-Indian Education and which is to be statutorily enacted.

**Mr. Lalchand Navalrai:** Sind did not want to have a begging bowl.

**Lieut.-Colonel Sir Henry Gidney:** No. Sind wanted a water supply; look after that and do not attempt to erect a barrage around me and my needs. (Laughter.) Look after the Sukkur Barrage!

Sir, I look upon this educational concession as also the promise of special economic consideration as appears in the First Round Table Conference Services Sub-Committee Report, para. 5, sub-para. 4, given by my Indian friends to my community as a happy augury for the future. I do feel that the Indians at the Third Round Table Conference gave the Anglo-Indian community (regarding the Irwin Report) a fair and square deal so far as the interests of my community are concerned, and the entire community, with whom I gladly associate myself, appreciate it very much and I thank my friends once again.

There are other communal matters on which I might touch, but my time is limited. I shall now refer to the other points as they are to be found in the White Paper before us, so far as it affects the new Constitution and India as a whole. I do not want to pick holes here and there. I would rather review the whole thing *en bloc*. In doing so, I have extracted four important matters. These four important matters, to my mind, form the corner stones or rather the foundation stones of the structure which we have tried to build in London and are to be found in this White Paper. These four corner stones are the Franchise, Federation, Communal problem and Safeguards, and the Services. Sir, let me take the first:

**Franchise:** This is the very nucleus or the most important foundation stone of this great structure we are trying jointly with British statesmen to erect for the new India. I have a few remarks to make on the Franchise Report by the Lothian Committee. I do think that the acceptance for the first two elections of a written statement to signify the educational qualification of an elector will open the flood gates of corruption and malpractices. I do not think that that should be accepted by the Joint Parliamentary Committee. There is no doubt that the enlarged franchise, as was pointed out, by Sir Cowasji Jehangir, in the Franchise Sub-Committee, First Round Table Conference and as has been pointed out today, will mean an enormous expense to all Provinces, but India has asked for an enlargement of her franchise, and she has got it. She

has made her bed and must lie on it though I am not in favour of such a make-shift of an enhanced electorate. I am sorry to see that the educational qualification has been lowered, but I join forces with my friend, Mr. Joshi, in saying that the qualification of property should include wages as property. In this respect I make a personal appeal to His Majesty's Government on behalf of my community, because today one-third of the male population of my community are unemployed, and, having no property, nor wages, they will be disenfranchised. But, above and beyond all these remarks regarding franchise, I consider that the treatment given to the women of India is hopelessly inadequate. I consider that the cause of women in this country that was so ably presented by the two ladies who went to the Round Table Conferences has not been given the attention it deserved. Sir, I believe that the hand that rocks the cradle of India will in time rule India, or, in other words in the emancipation of women lies the regeneration, development and progress of India. It is my conviction that the Franchise Report has not given adequate attention to the demands made by the women of India.

**Diwan Bahadur A. Ramaswami Mudaliar:** Not the Franchise Report; the White Paper.

**Lieut.-Colonel Sir Henry Gidney:** Yes, I mean the White Paper.

Let me now discuss Federation as the next corner stone. Federation has been spoken about so much today that one hesitates to add anything to the discussion, but I should just like to read a few lines from a speech delivered at the Round Table Conference. (*An Honourable Member:* "Whose speech is it?") I am sorry to say, Sir, I had the temerity to deliver this speech. I said:

"I should be indulging in a truism were I to say that both the Unitary and Federal types of Government have their good points. In the past, India has been ruled, and her present nationalist spirit developed, under the stimulus of a centralised form of Government. To replace this suddenly by a Federal Government is obviously a leap in the dark, the more so when one finds it connotes the close material co-operation of the Indian States. If we are to judge by the terms published in the Press on which these States would be willing to enter the Federation, their connection with British India would for some time be more in the nature of a sentimental than a practical association."

Those were my views given on the 18th November, 1930, and I do not think they have changed in outlook very much since then. My Honourable friend, Sir Cowasji Jehangir, if he will allow me to congratulate him on one of the finest speeches I have ever heard him make in this House, it was really the best speech we have heard on this subject up-to-date, uttered a very correct note of warning to the States who refuse to join Federation. There is no doubt that the wave of democracy which is spreading throughout India today will be felt in the Indian States tomorrow and it cannot be stopped and no one is more aware of this fact than the States themselves. Sir, however great may be the political storm in Feudatory India today, I pray that there will soon be a calm very soon—for no one will deny that without the States coming in there can be no Federation, and, without Federation, there will be no responsibility in the Centre, except the sort of loose responsibility that Sir John Simon portrayed in his Report. I, therefore, do hope that Indian States will come in and that we shall soon have Federation. But, I feel I am safe in predicting a very busy time for both the Supreme Court and the Federal Court owing to the troubles that are bound to arise out of the admixture of Federal Law and State Law operating in the same place. In this



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connection, let us not forget as regards the present autocracy practised in certain States that when undiluted democracy tried to mix with unfettered autocracy, the precipitate is generally hypocrisy. The States must at all costs avoid such a calamity. But how? If they are determined to retain intact their Sovereign rights, one or the other must weaken and it is this dread of loss of personal power and prestige that democracy will extract from all Federating Units which makes them hesitate before they join Federation. But, I also warn them to take time by the forelock and be guided by the advice of Government and decide soon. Sir, I, however, understand that Federation will soon be a *fait accompli*, because I hear that the larger States are prepared to federate, which I hope will be hastened by Government taking early steps regarding the Reserve Bank, and I do hope that it will not be long before they make up their minds and so get a move on to the creation of a Federal Legislature consisting of British and Princely India working in harmony for the benefit of both.

I now come to the third corner stone, and that is "Minorities". Sir, my attention has been drawn to a very important thing I have read in this White Paper and I should like the Honourable the Law Member to kindly tell us what exactly is the meaning of the phrase "the law of British nationality".

I now turn my attention to the remarks made by my Honourable friend, Bhai Parma Nand. The question of minorities, I do believe, transcends all party politics. It is a matter that is omnipresent in this Honourable House, for it is a matter with which the whole of this House is wholly seized. Moreover, the question of minorities occupies the attention of the Government Front Benches and Departments more than anything else in the administration of India today. I challenge contradiction. My Honourable friend, Mr. Amar Nath Dutt, said that the question of minorities could be and should be placed in the Fundamental rights and embodied in the Statute and he said that every Federated State had such Fundamental rights. He refused to give in to me when I asked him to tell me one such State. Sir, I maintain there is not one Federal State which possesses a statement of Fundamental rights, in which is to be specifically found the protection of minorities as one of the Fundamental rights. But there is, if you want an example, the Commonwealth of New Zealand where there is only one minority community, the Maoris. They have representation in the shape of two Ministers, the salaries of which members were passed, I think by the Civil List Act of 1921—members who, today, sit in the Cabinet of the New Zealand Federal Government. (An Honourable Member: "With or without portfolios?") That does not matter, because as Minister they protect the interests of the minority. So, you will find that the minorities problem is a question that is to be found in other Governments, but is more than peculiar to India. This minority problem so occupied the three Round Table Conferences, at least the First and Second, that we were not able to come to a decision, and as Sir Cowasji Jehangir has pointed out, it was that cursed existence of communalism amongst us, that mistrust of each other, that led to our failure to come to an amicable agreement and which drove us to forming the Minority Pact of which I claim to be the father and which necessitated the Government being forced to announce their Communal Award. My Honourable friend, Sardar Sant Singh, has disclaimed that

Sikhs took any part in the Minority Pact. May I tell him for his information on the floor of this House that his representative spent two days flirting with me on the question. Then, can my Honourable friend, Sardar Sant Singh, deny that the entire Sikh political problem in the Punjab is nothing else but of communal representation in which they have demanded safeguards. (Sardar Sant Singh: "No.") If that is your reply, then why do you so stoutly object to the Prime Minister's Communal Award? We were driven to the Minority Pact by this communal mistrust and wrangle. And, Sir, what do we witness every day in this Honourable House? 70 to 80 per cent. of the questions asked in this House are pregnant with communalism, bias, prejudice, mistrust and curiosity. If it were not for the communal questions that my Honourable friend, Mr. Maswood Ahmad, asks, the Government Benches would have absolutely no work to do at all. (Laughter.) And it is daily getting worse and worse. And yet we have in this House a party, the "Nationalist Party", hallowed with a "nationalist" name, but some of whose Members appeared at the last Central Advisory Committee for Railways and shouted for communal protection showing themselves to be no "nationalist" but ultra communalists. And yet the Party calls itself the "Nationalist Party". Sir, nationalism in this House does not exist; communalism is rampant—the nationalists are communalists in disguise. This communalism is the gravest danger that faces this country today. That is the rock on which the future Government, Federal or otherwise, will be built or will be wrecked and it is for this reason that the communal problem is one of the most important that is facing this country. Kill it and your new National India is born: retain it and the problem remains for ever as the chief obstacle to national advancement, but one that must be faced and protected. Sir, I frankly admit that communalism is the direct negation of nationalism, but so long as it exists in India and is such a grave menace and obstacle to our national progress, we must face it and safeguard the evils attached to its practice, i.e., from a majority rule. Sir, there is, therefore, no doubt that the protection of minority communities is one of the most important and most sacred duties of every Government—Federal and Provincial, much more is this necessary in the new Government which we are trying to build up, because the past 13 years' experience of this House shows that communalism has come to stay. The British Parliament, the British public, the Indian Government and this Honourable House are wholly seized with the importance of this matter, and if any Honourable Member gets up and says that it does not exist, and, therefore, we should not in the future constitution afford protection to these minorities, he is absolutely and purposefully blind to the realities of the situation that is facing India and her many minority communities. Indeed an India that can rightly and solely be called the Home and the Playground of Minorities, a land in which each one is separated from the other, expressing different languages, customs and religious faiths and entirely devoid of those common cementing factors, a common religion, manners and customs and language which for centuries have bound together the various other British Colonies to the motherland, England, is one that impels communal safeguards. Sir, with communalism rampant in India, with each one of us fearing the majority community when the new Constitution operates and when possibly the Congress Party is in power, I ask, what opportunities does the White Paper afford us to represent our grievances in the various Cabinets? I mean a special Minister to represent Minorities. Scan every page of this White Paper

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and you will not find any such provision for minorities in any Cabinet. Any such protection and provision is to be found in the hands of the Governors and Governor General and then only when the Ministers have not been able to settle a communal matter. You will, I admit, find the promise of safeguards on every page, but no specific mention of a Minister for Minorities. I do not think that any Member of this House will deny that three-fourths of the work that will be performed by the new Government including the Governor General and Governors for many many years to come will be the settlement of communal problems and, if I am right in my view, I would earnestly suggest to the Honourable the Leader of the House that the absence of any specific provision for minority representation in any of the Cabinets is a grave omission in the White Paper and should be rectified at least so long as the communal problem is unsettled. I would further suggest that he conveys to the Secretary of State for India that a strong feeling exists in this House for such a provision in all Cabinets. I know that in one part of the White Paper a suggestion will be found that in forming the Cabinets consideration should be given for representation from one of the larger minorities. Sir, India is nothing else, but a collection of minorities. The one larger minority is the Muslim community and they are quite strong enough to look after themselves. They have been able to do so till now and they will be able to do so in the future. It is the smaller minorities that I am thinking of and I repeat, Sir, that there is no provision whatever in this White Paper for representation of smaller minorities in the Cabinets. Surely we together form a very important factor in the body politic of India and cannot go by default unrepresented in any of the Cabinets. I ask the Honourable the Leader of the House to be kind enough to make a note of this. I would go further and say that in every Cabinet—Provincial and Central—there should be one member whose special portfolio should be the protection of the minorities—not of one minority. If this is not possible, might I suggest the following alternative for the consideration of His Majesty's Government: The Governor General is to be allowed three Counsellors for the three reserved departments, Defence, External Relations and Ecclesiastical. I would suggest that to one of these Counsellors be given the minorities as a special portfolio. I do consider that the protection of the minorities forms the very pivot of the structure of the entire new federation that we are about to build. If this pivotal foundation stone is not well and truly laid, the whole structure will fall to pieces. It is, so to speak, the indicator of India's new constitutional sun dial and, if it is correctly placed on the Federal dial, it will constitute the pivotal point from which progress will evolve and round which the future peace and contentment of India will, as it were, revolve.

I now come to the next corner stone "Safeguards". If the communal problem is fully and truly recognised and appreciated as the most important matter of the future India—and I am convinced that this problem will continue to exist and may grow in intensity for many years to come—then the minority communities must have safeguards. These safeguards are to be found on almost every page of the White Paper and I am thankful that they are there. In the question of safeguards *versus* responsible Government it is my opinion that in India today and in years to come no Self-Government will be able to operate effectively unless the communities are adequately and statutorily safeguarded against a majority

oligarchy and, further, the Governor General and Governors and Ministers be supplied with ample and effective authority with which to effect these safeguards. The past history of safeguards is not very encouraging and those Federal States that included safeguards in their Constitutions have, with a very few exceptions, never operated them. India and her minorities will not tolerate paper safeguards, for we have the present rebellion in Ireland which has taught us a lesson of what dangers we expose ourselves to unless we have adequate safeguards and the Government have adequate power to implement them. It was the absence of any safeguards that caused the ruin of Ireland. I am satisfied with the safeguards in the White Paper, but I want Minorities to have a separate Minister in all Cabinets; otherwise we stand in peril of being swamped out of all employment as the Anglo-Indian community is suffering today after it has built up these very services.

There is one more subject to which I wish to refer and to which I have given a close attention and that is the Services. Though this has been called the White Paper, I find there is one black or dark spot on it, which I hope we shall be able to change to a lighter shade or obliterate altogether, and that refers to the Services. This question has been fully dealt with by my friend, Sir Cowasji Jehangir, with his great experience, as an administrator, behind him. If you take the Report of the Sub-Committee on the Services and compare it with this White Paper, you will be astonished at the vast difference. In paragraph 3 of the Services Sub-Committee Report, the majority of that Committee came to an agreement that the Indian Civil Service would, in future, be recruited and be under the control of the new Federal Government to be. The Chapter in the White Paper on Services has markedly departed from this agreement and relegates all such power and additional power to the Secretary of State for India and him alone overlooking the rights of the new Federal Government and the Public Service Commission. But, I am bound to add, if we want the Britisher in the Indian Civil Service and the Indian Police Service, as every Member here wants, and if we want the right type of man to come to India, we shall have to pay him well and we will have to take him on his own terms. This, I think, is mainly the spirit underlying the cautionary procedure in the White Paper regarding recruitment in these two Services. If you object to it, you are not going to get the right type of man. No one in this House will say that the future India will take the second best or the third best Englishman. We must have in the future as in the past the very best that England can give us. Do you want the Indian Civil Service and the Indian Police Service to deteriorate? Do you want a breakdown of the entire new Constitution by recruiting men of inferior calibre in our Services at a time when we shall need the best advisers? Surely, this House will not subscribe to such a foolish policy. The terms of recruitment, etc., suggested by the Services Sub-Committee, were that such powers should rest with the Federal Government for new entrants, but, I am sure, Sir Cowasji Jehangir will bear me out when I say that a serious compromise was offered by me to this Committee, *viz.*, if recruitment is to be done by the Governor General or by the Federal Government of the future, any Officer of the Indian Civil Service, who felt aggrieved, would have a right of appeal to the Secretary of State. I put this forward as a compromise. Sir, there is a great difference between the two Reports and I do think the time has come when India must be told quite clearly whether we are to have a continuation of the "votable" and "non-votable" items in the civil expenditure list. The White Paper

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offers no such hope. If any, it is a dim and distant vision. In my opinion, when the Montagu-Chelmsford reforms became operative, it sounded the death-knell of the Services as far as recruitment in England was concerned; since then we have advanced many years. We have had the Simon Commission and three Round Table Conferences and yet the White Paper announces that this recruitment is to continue on the same terms with a review after five years. We know that the top-heavy expenditure of this country is due very much to high salaries and Lee Concessions given to Europe-recruited officials. If our expenditure on this item is to be reduced, one is entitled to ask when is this recruitment going to be stopped. We cannot for much longer continue to be saddled with non-votable items in our civil expenditure; otherwise, financial responsibility in the Centre becomes a sham and negligible. There must be a time limit to Lee Concessions. By all means protect vested interests of the present employees, but new entrants must come on different terms. I, therefore, implore the Government to feel with the rest of the House that if the Services are to be used in the work of this country, this country ought to have complete control of them, allowing an appeal to the Secretary of State in cases of need.

There is one more department to which I wish to refer and that is the Indian Medical Service. I consider that the conclusions arrived at in the Services Sub-Committee of the First Round Table Conference and which have been disposed of in two or three small lines of print in the White Paper were an *ex parte* decision. Lord Zetland and I wrote to the Secretary of State for India asking for an inquiry into the Indian Medical Service. There is the greatest discontent among the British and Indian members of this Service. This Service has a glorious record in the history of India and is a Service to whom India should be eternally grateful and surely this House or the Joint Select Committee cannot, with complacency, permit anything that might destroy the traditions of such an excellent Service. We should try and maintain the glorious traditions of this Service and give peace and contentment where discontent and unrest abound today, because neither British nor Indian Indian Medical Service Officers know where they are. I suggest that a Committee do sit to decide once and for all the question of the Indian Medical Service in this country and so satisfy all the varying elements enlisted in it. India wants to supply her own medical needs. India can no longer continue to indent on other countries for her doctors. We should put our own medical schools and colleges on an equal footing, establish one minimum standard of medical education, the equal of any other part of the Empire; have only one register as England has and so elevate our standard of medical education that we shall be sought after for reciprocity and not be beggars as we are today. But do not let us be a party to ruining the morale of this great Service by allowing its officers, both British and Indian, to pass through this prolonged period of agony, this Gethsemane in which neither Indians nor Britishers know where they are in the Service.

As regards the Statutory Railway Board, I am very glad, Sir, that this is to come into being. I know, my friends of the Opposition will not agree and I see that my friend, Mr. Mitra, is already shaking his head. But, Sir, a Statutory Railway Board in India was needed long years ago.

This Legislature has already interfered too much in the day-to-day administration of the Railways, a pastime which has seriously lowered the morale of every Railway officer whose one object is to count the days for his exit from India. Sir, I consider a Statutory Railway Board is a vitally necessary thing if our Railways are to function as business and not political concern and I am delighted to know that the White Paper supports this creation. In this connection and with regard to the economic position of the Anglo-Indian community on Railways, I would draw His Majesty's Government's attention to paragraph 5, sub-paragraph 4, Services Sub-Committee Report, regarding employment of Anglo-Indians on Railways and also to page 169 of the Government of India's despatch on Proposals for Constitutional Reforms, dated the 20th September, 1930, in which it recommends that so far as employment of Anglo-Indians on Railways is concerned it places its protection as "a special obligation upon Parliament".

**Diwan Bahadur A. Ramaswami Mudaliar:** Does not what the Honourable Member say suggest a reflection on the questions he has been asking recently?

**Lieut.-Colonel Sir Henry Gidney:** I add with the exception of my questions. (Laughter.)

Sir, the White Paper cannot satisfy everybody including my friend, Mr. Das. But, I do think, it affords a very strong foundation on which to build our Federal Structure. In other words, a tripod on which the new Federal Government can sit without any misgivings. Let me call it a brown tripod, one leg of which represents the Princes, another leg the Muslims and the other minorities, and the third leg the Hindus: and provided these three legs work together and do not get disjointed or loose or warped, let us not be nervous or worried of our future India. As long as this exists, the Federal Legislature will continue to act constitutionally and so long shall we be protected from a majority monopoly including the extremist party who, if it ever became the dominating power in this House, would ruin the entire structure we are trying to erect in a spirit of goodwill and co-operation. Sir, I know that outside of Great Britain there is no sympathy or attraction for democratic Self-Government. I also know very few people believe it will succeed in India, but whether the Democratic Government which we are introducing into India, by means of such a complicated machinery, as portrayed in this White Paper, will be for the good or bad of India, its only success lies in the maintenance of the British connection. If the British Parliament and the British Government, with the faith, trust and co-operation of Federated India, is able to create and keep this tripod erect and steady, then Federation becomes a *fait accompli* in the very near future and India's future progress, development, peace and contentment are assured and safeguarded from any destructive Congress or other destructive activities, and then, in time, will trust beget trust and the need for all safeguards disappear, and we shall witness the creation of a new National India with a common citizenship and brotherhood, labouring together as a nation, not a collection of separate communities, and hand in hand marching on the road, a common pathway to one and all, a road cobbled with every page of this White Paper, not forgetting the thousands of pages of the last three Round Table Conferences, and in our slogan, as we together pass each one of the milestones, I have mentioned, Safeguards, Services, Minorities, etc., we shall in our quest for a common goal obliterate them for ever from our memories and when we have passed the last obstacle on our road, let us hope

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that we shall have so short-circuited our long journey and so successfully shown out fitness and trust of each other that we shall be given without any delay what we all most desire today for our motherland, India—Dominion Status. Let us hope that hand in hand, Hindu, Muslim, European, Parsi, Anglo-Indian, etc., we shall speeden up that journey and together soon reach that *Nirvana*, a happy, contented and well developed Nation, happy in having secured Dominion Status for India, contented in mutual trust of each other and developed as a separate nation, the brightest jewel in the British Commonwealth of Nations. (Hear, hear.) (Applause.)

**Dr. F. X. DeSouza** (Nominated Non-Official): Mr. President, the White Paper is an attempt to confer a *quasi*-democratic Constitution on the country at a time when most countries in Europe are turning away from democracy. Experience in those countries has shown that the greatest peril of democracy is that it is no better as a whole than the lowest member of it, and with the vastly extended franchise throughout the civilized world, this peril has been rendered more acute. That is why in most democratic countries today you hear more of safeguards and reserve powers than of parliamentary majorities. You hear more often the maxim, *salus populi suprema est lex*, being invoked than the maxim, *vox populi vox dei*.

Sir, if America has been saved from crashing in the economic blizzard that has overtaken her, it is because the strong man at the head of the State ruthlessly wielded the tremendous reserve powers in the normal armoury of the President. He went further; he treated the safeguards, which were meant as a restraint on those powers, as a mere scrap of paper; for what is the violation of the famous 18th amendment to the Constitution in order to rush through a repeal of the Volstead Act, but the scrapping of a most valued safeguard? This makes one pause and think: "Are these safeguards worth making so much fuss about if they are like straw in the hands of a strong man?"

These reserve powers derive their force from the principle of jurisprudence which is the foundation of all civilised Governments,—*salus populi suprema lex*. And in India, where the first instalment of democracy has been heralded by such subversive movements as communal rioting, civil disobedience and terrorism, the need for such powers is manifest. It is, therefore, I think not necessary to take too seriously the criticism that the White Paper embodies more safeguards than powers, more restrictions than privileges. Epochmaking powers are contained in a few sentences; the restraints on those powers have to be stated at length in order to provide a clear definition.

The test is whether the source of power has been transferred from Westminster to the Indian electorate and, if so, whether those powers can be exercised in order to promote the national welfare. After a most careful study of the White Paper, my humble opinion is that in many spheres of policy the White Paper confers on the people of India powers to legislate as great as in any European country. It cannot be denied that the safeguards have been framed also in the interests of the paramount power and are liable to be abused at the hands of a reactionary Governor. There is no doubt that some of them need whittling down at the hands of the Joint Parliamentary Committee, but I take it that the common

sense of the future Governor, who will be a practical British statesman, will make him realize that no Constitution will stand the strain of continued pinpricks.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) vacated the Chair, which was occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury.)]

The safeguards were demanded by Indian politicians themselves in the interests of the minorities. That demand has been most emphatically repeated today by my Honourable friend, Raja Bahadur Krishnamachariar, in the interest of his religion; and if the electorates are carried away by communal passion or swayed by emotion in response to the civil disobedience movement or untouchability or temple-entry propaganda, who will guard the liberties of the country from the passions of democracy, who will protect the Ministry from the adverse vote of the Legislature. *Quis custodiet ipsos custodes?* The history of all democracies shows that it is only by means of special powers vested in the supreme head of the Executive that the remedy can be found.

I shall now turn to one or two of the other important features of the White Paper. Speaking of Federation on the constitutional issue in last year's debate, I characterized Federation as a monstrous birth, an unnatural combination between autocracy and democracy. I said that it reminded one of the description given by Prince Bismark of the Franco-Russian Alliance as an alliance between an elephant and a whale, which could never prove a fruitful union. But in this respect Bismark proved a false prophet. The French whale splashed about in the troubled waters of Russia with such effect that the Czardom of yesterday has given place to the Soviet of today. It looks as though Federation on the lines proposed would have the reverse effect in this country. In the Report submitted to the Standing Committee of the Chamber of Princes by the Committee of Ministers, they make the following observations:

"Democracy and Autocracy if brought together have equal chances of diluting each other. His Majesty's Government welcomes the Indian States as an element of stability and moderation to prevent scrapping of the British connection."

And they cynically add:

"If conscience makes cowards of us all the instinct of acquisitiveness and calculation ought to instill courage in the States leading them on to immediate accession to the Federal ideal."

If this is the spirit in which the Indian States enter the Federation, the fear is not that democracy in British India will be diluted by the Autocracy of the States, but that the infant democracy of British India will be submerged beneath the tide of the autocracy of the States. My Honourable friend, Mr. Joshi, has observed that in the history of England there have been more wars of the Barons than Jack Cade's rebellions. I for one am quite prepared to find that one fine morning when the Paramount Power has pre-occupations of her own, a precisely Mussolini will walk into this Chamber and ask your Marshal to take away that bauble pointing to your wig and gown or whatever symbol of authority you may possess.

Is there any likelihood that the proposed Federation will be a stable political entity? It is of a type hitherto unknown in the history of Constitutions—a pact between autonomous territories and subject dominions. There is no provision for a mutual union. On the contrary, the States aim

[Mr. Gaya Prasad Singh.]  
for trying to attend that session. That furnishes somewhat strange commentary upon the kind of constitutional reform which is going to come out of the White Paper. Sir, I take it as a triumph for the Indian National Congress that Government should think it proper to ban this meeting. They dare not face the criticism of the Indian National Congress, and the only comment which I can make upon their action is that Government want to silence the voice of national India so that the only voice that will be heard in this country on the White Paper will be of Moderates, Loyalists, Liberals and Round Tablers. Sir, even the Moderates and the Liberals have confessed more than once that there can be no peace in this country and that the peaceful atmosphere requisite for the consideration of the constitutional reforms will not be produced without the release of Mahatma Gandhi and the political prisoners. Yet, Sir, I am somewhat surprised to see that not a word has been spoken on this subject during the last two days that we have been discussing the White Paper. My Honourable friend, Sardar Sant Singh, all credit to him, raised a solitary voice of protest against the policy culminating in an era of repression which has been freshly inaugurated in the country. Sir, the Prime Minister, if I remember aright, in one of his statements said that he expects to see the emergence of a new Dominion in the British Commonwealth of Nations within a few months' time; and we also noted that His Excellency the Viceroy, in one of his speeches in this House, said that he expected to be a constitutional Governor General within his career as Viceroy of India. I have yet to know that the proposals contained in the White Paper approximate even remotely to that vision which was foreseen by His Excellency the Governor General, or the Prime Minister of England.

Sir, the proposals of the White Paper are hedged round with so many safeguards and limitations that, I am afraid, they do not constitute any advance upon the present state of things in the long run. There may be a certain advance in some of the proposals adumbrated, but they have been more than outweighed by some of the others which are of a distinctly reactionary nature. Sir, I am not bound down by the decisions that have emerged from the Round Table Conferences as our Round Tablers must naturally be bound down. I am free to express my opinion on the merits of the proposals from the point of view of the interests of my country.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

Sir, there are many safeguards, but I should like to refer only to a few of them. In the first instance, there are the reserved departments. In the reserved departments we have got Defence, External Affairs and Ecclesiastical Administration. They are to be entrusted to the Governor General personally, and the rights and conditions of service of the personnel of the defence forces will continue generally to be regulated as at present. Not satisfied with this, we have got some "special responsibilities" also appertaining to the Governor General's position. The special responsibilities may be summarised under a few heads, such as the prevention of grave menace to the peace and tranquillity of India or any part thereof, the safeguarding of the financial stability and credit of the Federation, the safeguarding of the legitimate interests of minorities, the securing to the

members of the public services of any rights provided for them by the Constitution and the safeguarding of their legitimate interests, the protection of the rights of the Indian States, the prevention of commercial discrimination, and any matter which affects the administration of the reserved departments. Sir, in this comprehensive category almost all the powers that are necessary for the perpetuation of an autocratic bureaucracy have been embodied. Again, Sir, we find that some "discretionary powers" also have been given to the Governor General, and these discretionary powers are as follows: The power to dissolve, prorogue and summon the Legislature, the power to assent to, or withhold assent from, Bills, or to reserve them for the signification of His Majesty's pleasure, the grant of previous sanction to the introduction of certain classes of legislative measures, the power to summon a joint session of the Legislature in cases of emergency, and so on. These, Sir, are the discretionary powers which have been vested in the Governor General. Not content with this, we have again some special powers which have been vested in the Governor General, and these special powers relate to the power to take action notwithstanding any adverse vote in the Legislature, the power to arrest the course of discussion of measures in the Legislature, and the power to make rules of legislative business in so far as these are required to provide for the due exercise of the Governor General's own powers and responsibilities. Sir, with all these deadweights, I do not know how we can be said to approximate even remotely to the position of Dominion Status. Then, again, the Governor General has been vested with law-making powers and these are not to be limited in duration. The power to make Ordinances also has been left in tact.

Again, Sir, with regard to the finances, the Governor General shall have a controlling voice in the framing of the Budget and the position of the Minister under the new state of things becomes more or less that of a figure-head. He will be helpless in the hands of the Financial Adviser who, it is proposed, will be given to the Governor General. This Financial Adviser will have direct access to the Governor General, and his power will be felt over the Minister in matters of financial administration, in the framing of the Budget, and so on. It may be argued that these safeguards are more or less paper safeguards, and that they are not expected to be brought into effect; but as Sir Samuel Hoare himself said in course of the debate in the House of Commons the other day, the "safeguards which would necessarily take so prominent a place in the White Paper were designed just as much in the Indian interests as in British", and that these were not paper safeguards.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty):  
Order, order: Diwan Bahadur Ramaswami Mudaliar.

#### MOTION FOR ADJOURNMENT.

"ORDER OF EXPULSION SERVED ON FOUR CHETTIYAR BANKERS OF SAIGON  
BY THE GOVERNMENT OF INDO-CHINA."

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muham-  
madan Urban): Mr. President, I must apologise to the House  
4 p.m. for arresting the course of a very interesting and very important  
discussion by a special motion for adjournment which I propose to make



[Diwan Bahadur A. Ramaswami Mudaliar.]

at present were it not for the fact that the matter was of the utmost importance, that the interests involved are so vital to many citizens in Southern India, I would not have ventured to break into the course of a discussion on the White Paper. Mr. President, I beg to move:

"That the business of the House be adjourned to discuss a definite and urgent matter of public importance, namely, the position of the Chettiyar Bankers of Indo-China and the expulsion of four of them from that country."

Indo-China, Mr. President, is foreign territory, being under the rule of the French Colonial Government. The Chettiyars of Southern India, a community which, if I may say so, to remove any misapprehension and embarrassment to you, Mr. President, is quite distinct from that of which you are the most distinguished representative. The Chettiyars of Southern India are bankers not merely in Southern India, but in various places in the East. In Rangoon, in Burma, in Singapore, in Penang, in the Straits Settlements and in Indo-China, they have been doing business for a number of decades. In Indo-China, specially, they have large vested interests. They have fully supplied all the capital that was necessary for the production of various useful things in that country, for the development of commercial projects in that country, and they have done so, Mr. President, at the instance, on the encouragement and under the guidance, of the French Colonial Government. They have given large loans to various people, both on the security of landed property and on personal security, loans which have gone far to develop the resources of that country. It is estimated that on promissory notes alone today the outstanding amount of these loans is no less than 700,000,000 francs, which in Indian currency would come to ten crores of rupees. There are other loans also on other kinds of property. A serious situation has arisen with reference to the position of these bankers, Mr. President. We are all aware of the economic crisis that has come over the world. In every country there has been serious and acute financial crisis. Men have not been able to meet their obligations, and creditors have found it impossible to get their just dues collected from their debtors. Indo-China was no exception to this world-wide rule, and creditors, not merely Chettiyars, but other creditors as well, found it very difficult to collect their dues from the persons to whom they had given loans in earlier and more prosperous times.

Let me take the recent history in connection with this question and tell this House how the creditors have been treated in Indo-China. There have been a number of insolvencies consequent on the fact that debtors have not been able to meet the just dues of their creditors, but if there is any impression, that this has been due to any harsh policy being followed by the Chettiyar Bankers, let me at once disabuse this House of that fact. I am given to understand that 95 per cent. of the insolvencies pronounced by the commercial Courts in Indo-China have been granted at the request of creditors who are not Chettiyars. Therefore, the Chettiyar community in particular is not responsible for any great inconvenience that has been caused to the debtors. On the other hand, such evidence as is in my possession goes to show that these Bankers have shown the greatest amount of toleration, that they have at all times given as much time as possible to their debtors to pay off their dues and in many cases have abandoned a good portion of their dues in the hope of collecting at least a small amount of it. Finding that the situation was bad, not because of any pressure on the

part of Chettiyars, but because of pressure from the other creditors, the Judicial Courts were advised by Executive instructions to give time to the debtors to pay up their dues, to extend the time, to give a sort of moratorium through the Judicial Courts. This order was passed some months ago by the Indo-Chinese Government and the judicial authority, acting on the suggestion of the executive power, took note of the financial conditions in the country and gave that sort of provisional moratorium. But this measure did not yield any results satisfactory either from the point of view of the debtors or from the point of view of the Government, and, therefore, the Government revoked that instruction and I understand that measures could be taken in the normal course of events through the Courts by the creditors. When this order was revoked, the Chettiyar Bankers, who had their dues to collect, took recourse under the normal French law of the country and filed their execution petitions in various Courts. It was open to the Courts even then to give time for the debtors to pay. When that was done, the French Government stepped into the scene. I understand that they told the Chettiyar Bankers to accept somewhere between 20 and 30 per cent. of their total just dues and to give full acquittance to the debtors concerned, and when the Chettiyars did not find themselves in a position to do so, to write off so much as 70 or 80 per cent. of their loans, then the Executive Government took more drastic action on these bankers. I have got here instances of the four Chettiyar Bankers who have been expelled from this territory at very short notice. In the case of one gentleman, Mr. Palaniappa Chettiyar, a ukase went to him that he should appear before the Chief of the C. I. D. on a particular date. He had two days' time in which he had to travel about 260 kilometers to come before this gentleman and, when he came before the Chief, an order of expulsion dated three days before he appeared, was given to him and he was asked to quit the territory within a couple of days. The poor man could not possibly do it. There were not even shipping facilities for him to leave the place and, at his urgent instance and through the representation that he made by counsel, he was given two more days and he was asked to quit by the 24th of this month. He had to quit and he has left and sailed for Singapore. Similar action has been taken against three other bankers, the last of whom has left on the 27th of this month. What was their fault? I perfectly agree that every Government has got the right to take action against aliens who are described as undesirable aliens. It is a very well known sovereign right of any State to exclude from its territory those who are undesirable, either because of their criminal inclinations or because of the part they play in promoting secret disaffection against the Government and in trying to infuse a spirit of hostility into political associations. These cases, which are just cases for the exercise of those rights, are well known in International Law, but I venture to state more emphatically on the floor of this House that if there is a peaceful community, a law abiding community, a community to whom the observance of law was even more vital than the observance of religion, it is the community of the Nattukottai Chettiyars of South India, who, by their very training of their profession, by their peaceful avocation, by their very birth, are the most law abiding persons known anywhere in this world. Anybody who has knowledge of that community, of the simple and silent way in which it has built up its fortunes, of the method by which it has been able to adjust itself, to accommodate itself to the surroundings and environments and not to risk the displeasure of high or low, of powerful or humble, will bear testimony to the fact that that community at all events, and every individual of that community, must be excluded from that class



[Diwan Bahadur A. Ramaswami Mudaliar.]

which is called an undesirable class. They have been there on invitation; they have been there at the instance of the French Government; they have done their best to develop that country and now that it is developed, now that their resources have been fully exploited, now that whatever they could do to the people of that country has been done, they turn round and ask them to leave, without bag and without baggage at short notice. It seems to me that this is a state of affairs for which a protest must be launched in this House.

I apologised to the House for the fact that I intervened in the discussion of a very important matter. But, from another point of view, it seems to me that it is somewhat appropriate that on the discussion of the White Paper I should be able to bring forward this motion to see that our nationals are protected in foreign countries. If there is one justification for the proposal more than another, for the proposition that India should remain and must continue to remain a partner in the British Commonwealth of Nations, if we are to prize that *pax Britannica* over which so many of us have waxed eloquent, if we are to tell our countrymen that the doctrine of independence would spell ruin to us, it is partly because by being a member of the British Commonwealth of Nations we get a status in the whole world: we get a status wherever we travel abroad as British citizens as those who belong to a common British Empire. I remember many years ago finding myself in a very difficult situation, walking up the Marie Theresa Strasse in Belgrade and, what was my joy to find in a small shop-keeper's place upstairs the British Consular Office in that country; and I need not tell you that I received the greatest assistance from that Consul to save myself from the unpleasant attentions of the police of that country. (Interruptions.) I said that it is the greatest protection that we require whenever we leave our country; it is an asset that we possess, the greatest asset that we value—those of us who have been privileged to leave these shores; and when we find that our people are treated in this way, in this discriminating way, if I may say so, I think it is high time that we told the Government of India and through the Government of India the Government of Great Britain that steps should be taken to protect these people.

Sir, I was telling you that the executive Government had asked these Chettiyars to compound their dues at 20 or 30 per cent. of the original amount due: otherwise they said that steps would be taken and that orders of expulsion would be issued if they were not willing to do so. The French Government issued a law, in connection with loan against immovable property for a long period on the 29th April 1932. But even according to this law there is no embargo at all on a creditor collecting his just dues through the proper Court of law under the Code Napoleon which, I suppose, is the law prevalent in Indo-China. According to the third article every request for a long term loan will be examined on the basis of arrangements consented to by creditors: so that with reference to other classes of creditors, before the Government give that long term loan, it tries to come to an understanding with those creditors, and then gives a long term loan. In effect a long term loan merely means the substitution of the loan by the Government for the loan of the private agency, that is to say, the creditor gets back the amount which is given by way of a long term loan . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member has got just two minutes more.

**Diwan Bahadur A. Ramaswami Mudaliar:** These Chettiyar Bankers have given these loans; they are excluded from the operations of this Act; they cannot go to the Courts of law; they cannot collect their dues and, if they attempt to do so, they are expelled. What is the remedy? Not merely have they given long term loans to these people, but the very resources which enable them to give these loans have been got from two English Banks, the Chartered Bank and the Hongkong and Shanghai Banking Corporation: so that not merely the Chettiyar Bankers will be involved in financial ruin, but these two English Banks also will be involved in financial ruin. All that I ask this House to do today is to express a very earnest request, a strong expression of opinion that His Majesty's Government should take note of these facts and use every pressure that they can bring to bear through diplomatic channels to see that no further attempt is made like this, and that the men who have been now expelled will be brought back to Indo-China, so that they may pursue their peaceful and lawful avocations and so that confidence may be restored in that community. Only one word more and I have done. These are Indians. Let it not be understood, let it not even be suggested that His Majesty's Government is not as diligent in the prosecution of the rights of these people as it is in the prosecution of the rights of subjects of Great Britain itself. We are going to hear a great deal about commercial discrimination tomorrow in the course of the speeches of Honourable Members and let there not be a whisper of a suggestion that His Majesty's Government will not do all that is in their power, merely because they belong to India. Sir, I must only take this opportunity of conveying to the Foreign Secretary my personal thanks and the thanks of the community for the very diligent and effective steps that he, so far as he is concerned, has taken in the prosecution of all steps that may be necessary to promote the just interests of these people. Sir, I have done.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That the House do now adjourn."

**Mr. F. E. James** (Madras: European): Sir, I should like to associate myself and my community with the remarks that have been made by the Honourable Member, Mr. Ramaswami Mudaliar, and I should also like to associate myself with his expression of thanks to the Foreign Secretary who, as we know, is doing everything that is humanly possible for one in his particular position. I am glad to be able to rise in my place and support a motion of this description for the reasons which have been given, and on the very grounds which have been mentioned by my friend, Mr. Mudaliar. If we in this country are claiming at this time protection against what might be discriminatory action on the part of future Governments, surely it is only logical, apart from the inherent justice of it, that we should associate ourselves most heartily with those of our Indian colleagues who stand up against any form of discrimination against their nationals in other countries. It has been done before by this Group: we have associated ourselves from time to time with protests which have been made on the floor of this House by Members against discrimination in respect of their own fellow countrymen in other parts of the world, and I am glad to extend the same co-operation today.

Now, Sir, I have had some knowledge of the community to which this particular motion refers and I should like to pay my own tribute and the tribute of my friends in South India to the great part which this community

[Mr. F. E. James.]

has played and is still playing in the economic and social life of South India; and, indeed, in the economic and social life of Malaya, Siam and the countries further east. Those who are interested to learn more of this, to learn more of the part which they play, will perhaps spend the time in turning to the reports of the Indian Banking Committee where they will find a description of the methods of work of this community and of the part which it has played and is playing today.

Coming to the particular motion which is before us, as far as I understand the situation, it is that this community which has done much in this colony of the French Empire to build up commerce and trade in the past three or four decades, this community is a loyal community: it has never associated itself in any sense with any political movement in that part of the world; subject to French laws, subject to French Courts never previously has there been any suspicion that this community was not entirely loyal to the jurisdiction under which they work. The community, in common with all other communities in Siam, in Cochin China, has been suffering heavily from the depression. It is true that the primary business of this community is the banking business. Honourable Members are perfectly well aware that banking is perhaps the main spring of all commercial enterprise, and that when commercial enterprise is limited and when depression falls upon the world, then the banking community suffers as heavily as any community in the world. As far as I understand it, the position is this that either by executive order or by some other order issued by some officer in authority this community has been asked to accept a particular method of dealing with debts to which it is justly entitled, and which method has not been insisted upon in the case of any other single member of any other community. If that is the case, and my information is that is the case, though I should be glad to hear if my friend, the Foreign Secretary, has more details,—if that is the case, then it is obviously an example of very grave discrimination. In fact, by the expulsion of these gentlemen who were not able to fulfil the terms of that order, discrimination ceases to be merely discrimination and it almost becomes expropriation. Therefore, I think, Sir, that we have the strongest grounds for making our opinion felt on the floor of this House. No one here desires to cast any reflection whatsoever on a great power, a great and friendly power. At the same time, this community are subjects of His Majesty the King Emperor, and if there is any virtue in allegiance to that Great Throne and to that Great Crown, surely it is to be found in the protection which that Crown and that Throne can throw over its subjects. If that is the case, Sir, I am sure that the voice of this House, the voice of the Government of India and the voice through His Majesty's Government at Home will have great effect upon those who are responsible, that what we feel to be an unjust state of affairs will be remedied and that those who have been expelled will be allowed to return once more to the place which has been the centre of their labours for so many years.

**Mr. Muhammad Ashar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I rise to support the motion of my friend, Diwan Bahadur Ramaswami Mudaliar, for two reasons. The first reason, that it is very necessary that the Government should protect the honour and respect of our countrymen who reside outside India. Sir, it is from a deep feeling of patriotism, I say, that we must protest today against the action launched against these four gentlemen, and we must protest with a strong voice. Sir,

we have learnt how our countrymen have been treated, we have learnt how undue influence has been brought to bear upon them to give up their avocation which they were legitimately entitled to follow. Therefore, Sir, it is to save our honour and also, out of patriotism, that we should support this motion. Those who have the experience of going outside this country will realise how necessary it is that foreign Governments and foreign people should have the same amount of respect for us, Indians, when we are in their country as they expect from us when they are here.

Sir, we are very grateful to the Honourable Member in charge, for he has taken steps to protect our honour, our rights and our avocation outside India. I support this motion.

**Mr. H. A. F. Metcalfe** (Foreign Secretary): Sir, some days ago, I gave the House certain information regarding this in reply to a short notice question, and I had intended today to give the House further information regarding the facts in the terms of a despatch which I have since received from His Majesty's representatives at Saigon. However, the Honourable the Mover of the motion and also Mr. James have given the House already so much information on these points that I do not feel that it is necessary for me to attempt to cover the ground again. Broadly speaking, my information agrees largely with that which the Honourable the Mover has placed before the House, and the only point in which I would like in any way to controvert what has been said is that I have no evidence at all at present that there has been any definite discrimination against the Chettiyars as compared with other creditors. I am not prepared to say that there has not been, but I have no evidence that there has been, and I trust that the House will not form a considered conclusion on that point until more evidence is before them. All the reports which I have received go to show, firstly, that the state of affairs in Indo-China is very serious, that there is a commercial crisis of the first magnitude, and that the peasant proprietor who has no doubt been improvident and has borrowed largely in times of prosperity is at present faced with the prospect of losing his land altogether. I am sure the House will understand that in those circumstances it may be necessary for a Government to take steps which would not be taken in ordinary circumstances, and all I will say on the merits, which it is obvious that I cannot discuss, is that there is possibly another point of view which has not yet been placed before the House.

I will now merely, if I may, tell the House very briefly what has been done both at Saigon, Delhi, London and in Paris to try and mitigate any hardship which may have been caused to these persons. As soon as the facts were brought to the notice of His Majesty's representative at Saigon, the Consul-General, he immediately telegraphed to his immediate superior at Paris, His Majesty's Ambassador, and he at the same addressed a direct communication to the Governor General of Indo-China. In that telegram he asked that immediate representations should be made to the French Government, and I was informed today by the Secretary of State that representations had actually been made by His Majesty's Ambassador at Paris on the 20th March, that is one day before any news of this affair reached me in Delhi. (Applause.) He also wrote to the Consul-General and said that he trusted that steps would be taken to defer execution of this order until further representations had been made at Paris. It is unfortunate, partly owing to the absence of the Governor General from headquarters, and possibly owing to other influences brought to bear upon him, that the Consul-General's representations were unsuccessful, and these

[Mr. H. A. F. Metcalfe.]

four individuals have actually been deported. I am, however, informed that the Consul-General still continues to make representations to the Governor General, and also that His Majesty's Government have authorised their representative at Paris to continue representations to the French Government who have already commenced to take a genuine interest in this affair. I trust that, after hearing this, the House will agree that everything possible has been done, and that His Majesty's Government have shown the fullest desire to accord to His Majesty's subjects in Indo-China all possible protection.

There is very little more, I think, that I need say, but it may interest the House to know that already a considerable amount of public sympathy has been displayed in the local Press on behalf of these gentlemen, and that articles have appeared in the Press, of which I have seen copies,—I am unable to quote them, because they are in French,—but these articles have many of them said that the Chettiyars have been of great assistance to the Colony in promoting the prosperity and welfare of all the people there, and there is criticism of the Local Government's action. I mention this, because it may perhaps serve to satisfy the House that there is not that great danger which the Mover of the motion anticipated that there may continue to be a general expulsion of these people whom we are trying to protect. That, Sir, is, I think, all that I need say.

**Diwan Bahadur A. Ramaswami Mudaliar:** This motion, as the House will easily realise, is not the usual Adjournment Motion which means a censure on any of the activities of the Government. It has been merely brought forward to ventilate a certain point of view and to get a public assurance on the floor of this House that everything that can possibly be done in a very delicate matter has been done and will continue to be done. That assurance we have had in a fair measure from the Foreign Secretary.

As regards discrimination, our information is that there has been a case of discrimination, and I trust that the Foreign Secretary will try to get more information on the subject, and, if there has been such discrimination, to make every effort possible to prevent it. I trust, further, that not merely will the threatened danger of further expulsions of these Chettiyar Bankers be arrested, but that those who have been expelled and those who have left all their property behind to go to rack and ruin will be permitted to return to their proper domicile in which they have lived for several years and that they will be allowed to peacefully continue their avocations there. I do not know what course you would suggest that I should take . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If the Honourable Member wishes to do so, he can ask the leave of the House to withdraw his motion.

**Diwan Bahadur A. Ramaswami Mudaliar:** In that case I ask for leave of the House to withdraw my motion.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Has the Honourable Member got the leave of the House to withdraw his motion?

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

## PROPOSALS FOR INDIAN CONSTITUTIONAL REFORM—contd..

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair will now allow the Honourable Member from Bihar to finish his speech.

**Mr. Gaya Prasad Singh:** Sir, a few minutes ago, I quoted a sentence from the speech of Sir Samuel Hoare to the effect that the safeguards propounded in this White Paper were in the interests of both India and England. I will go further and say that the safeguards are more in the interests of England than of this country. I submit that this is in utter violation of the Gandhi-Irwin Pact which was entered into with due solemnity. It is a sorry spectacle that the substance of a Pact which was entered into between the representative of His Majesty the King Emperor in this country, Lord Irwin, and the representative of the largest political party in India, Mahatma Gandhi—that the spirit of that solemn Pact is now sought to be violated at the instance of His Majesty's advisers to placate the die-hards in England. The only safeguards that were understood to be in contemplation were safeguards which were in the interests of India only. I, therefore, submit that so far as the safeguards are concerned, they have reduced to a mockery even the shadow of the little powers which the White Paper seeks to confer upon us.

Another omission in the White Paper is that no fundamental rights have been defined or adumbrated in it. I am now hastily skipping over some of the points which I think it necessary to place before this House. An important reactionary suggestion in the White Paper is that relating to the Constitution of the High Courts, and I am sorry that no previous speaker has drawn attention to it. It is contained at page 67 of the White Paper. It runs as follows:

"The qualifications for appointment as a Chief Justice or Judge will remain as at present, but the existing provision, which requires that one-third of the Judges of a Court must be barristers or members of the Faculty of Advocates in Scotland and that one-third must be members of the Indian Civil Service will be abrogated.

Any person qualified to be a Judge will be eligible for appointment as Chief Justice."

The existing rule is that not more than one-third of the number of Judges of a High Court should be drawn from the Indian Civil Service. Now the White Paper seeks to abrogate that rule, with the result that at one time it is possible for all the Judges of any High Court to be members of the Indian Civil Service, and for the Chief Justice also to be a member of that Service. Hitherto a bar had been placed on the appointment of a member of the Indian Civil Service as the Chief Justice of a High Court. Some time ago, the number of Civilian Judges of my own High Court in Bihar exceeded the prescribed limit, and I drew the attention of the Government to that fact. The Government admitted it in the course of their reply to my question, and steps were taken to remedy it. If this proposal is given effect to, the Chief Justice of a High Court may be a Civilian, and all the Judges of the High Court may also be members of the Indian Civil Service. I submit that this proposal is retrograde, and it seeks to place even our High Courts under executive domination.

With regard to what my Honourable friend, Mr. B. Das, said regarding the constitution of Orissa into a new province, I have nothing to say. (Mr. B. Das: "Thank you.") I am very glad that Orissa is going to be made a separate province, and the recommendation of the Committee.

[Mr. Gaya Prasad Singh.]

which was appointed in this connection, as well as the recommendation of the White Paper show that so far as we, the people in Bihar, are concerned, we have no grievance in the matter, inasmuch as no part of our Province is sought to be wrested from us.

Then, there is the question of a Statutory Railway Board to which reference has already been made by previous speakers. The constitution of a Statutory Railway Board takes away from the cognisance of this House whatever little control we at present exercise over Railway Administration in this country.

Sir, it has been stated that the inauguration of the Federal Constitution will be dependent upon the constitution of a Reserve Bank, and that this Reserve Bank will control currency and exchange. I do not know whether in the absence of any clear definition of the powers of the Reserve Bank, all questions regarding currency and exchange will be taken away from the purview of this House. For instance, if a motion is brought for changing the ratio from 1s. 6d. to 1s. 4d., we want to know whether that will be admitted as falling within the cognisance of the Federal Legislature or not.

Then, there is another point, and that is as regards Anglo-Indian educational safeguards. It is stated in paragraph 101 of the Proposals:

"...no proposal for the reduction in any province of an existing grant-in-aid on account of the education of the Anglo-Indian and domiciled European community will be deemed to have received the consent of the Legislature unless at least three-fourths of the members have voted in favour of the proposal."

Why this favoured community should have been singled out for preferential treatment, I do not know. If they are to be treated as other minority communities, I should have liked similar provisions made for our Mussalman friends, our Sikh friends, our Parsi friends, or other communities (Hear, hear), but why this statutory provision should have been made in the White Paper for one community only passes my comprehension, unless it be on the principle that blood is thicker than water.

Another proposal which is adumbrated in the White Paper is that there will be two Chambers in Bengal, Bihar and the United Provinces. This, I submit, is a very retrograde proposal, and we oppose it with all our power. I do not know how far the proposals contained in the White Paper are in consonance with the decisions arrived at by the three Sessions of the Round Table Conferences. Those of our friends who attended the Round Table Conferences are clearly working under a limitation in regard to criticising the proposals contained in the White Paper. They have only got to see how far the proposals contained in the White Paper constitute a departure from the conclusions at which they had arrived, but those of us who are more free in that respect are at liberty to criticise it from our country's point of view. Ever since the time of the Ottawa betrayal, some of us have been casting lingering looks towards getting seats in the Joint Parliamentary Committee whether as members or as witnesses. I do not know whether it is necessary to waste the country's money by sending another batch on what I may call this wild goose chase, because the proposals contained in the White Paper will have to be changed lock, stock and barrel before they can be acceptable to the country outside. I am afraid, the gentlemen who will go there will not be in a position to voice the sentiments of the country in an unfettered manner. They cannot

be elected. If they can be elected representatives of this House, they can go there in a representative capacity, but they will go now only as nominated members, and I distinctly want to make it clear that whatever agreements they arrive at will not be taken as binding either upon this House or on the country outside. The opinion of our Moderate friends also has been very hostile to the White Paper. I do not want to tire the patience of the House by quoting their opinions, but I would refer to only one. That prince of Moderates, Sir Chimanlal Setalvad, presided over a public meeting held in Bombay recently, and in the course of his speech he said:

"Defence and external affairs are to be reserved departments under the sole control of the Governor General. The Governor General is besides to be vested with what are called his special responsibilities and discretionary power. Among his special responsibilities are protection of the rights of the States and Services and the prevention of commercial discrimination. The Ministers will have no right to tender advice as regards the reserved departments, but even in departments in charge of Ministers responsible to the Legislature, the Governor General will be entitled to act otherwise than in accordance with the advice of Ministers if he considers such advice inconsistent with his special responsibility" and so on.

Among the resolutions that were passed is one which urges that political prisoners should be immediately released, and this is necessary for the creation of a proper atmosphere for the consideration of the constitutional proposals. When my friend, Mr. B. Das, was speaking the other day, I interjected a remark that beggars cannot have dominion status. A policy of political mendicancy has never brought Self-Government to any country. The Government of India are not a charitable institution. They have not come here to distribute alms to the people. They have come here to shake the proverbial pagoda tree to enrich their own country at the expense of our motherland. The differences that we see existing among our people outside are largely responsible for the sort of proposal which the Government have thought it fit to bring forward for our acceptance, and the difference outside in the country is reflected in the constitution of the House today. Why is it that we have so many different parties and groups sitting in this House, when we should be more concerned with consolidating our position of opposition with a view to converging our attack upon our common objective? I agree that parties have also got to serve their purposes. I am not opposed to that. But where they exist they must be based on some fundamental grounds of difference. The only two parties which one should recognise in this House is the party of the Government on one side and the party of the people on the other. Why should there be any difference amongst us in focussing our attack upon a common objective? I am pressed for time, and I will now conclude my observations by quoting the opinion, Sir, of your illustrious predecessor, Mr. V. J. Patel, on the White Paper. This is what Mr. Patel said:

"The White Paper signified Home Rule for the Viceroy and not the Indian people. It gives more power to the Viceroy than the existing constitution in many respects. It will bring nothing but friction between the Ministers and the Governor General and between the different services and the Ministers, leading to all sorts of deadlock. Any one thinking of reasonable hopes of modification in the Select Committee is living in a fool's paradise."

Sir, I leave it at that. (Cheers.)

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): Sir, the reform proposals contained in the White Paper are under fire from many camps. They are condemned by the extremist section in India. They

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are also condemned by the die-hards in England. Liberals and Moderates consider them unsatisfactory inadequate and disappointing. The general impression is that the scheme consists mainly of safeguards and the necessary responsibility which it confers in the provinces and at the Centre is apt to be overlooked. Nevertheless, it must be admitted that there is an important advance, although the special powers of Governor General and the Secretary of State are conceived in very wide, vague and general terms, and their unnecessary use will very likely constitute an unwarranted interference with the rights of the Legislature and place the Ministers in an embarrassing position and thus hinder the smooth working of the Constitution.

Sir, under the scheme embodied in the White Paper, the real power and the final word will rest with the Governor General, the Secretary of State and the Governors.

Sir, it is expected that the Governor General and the Governors will exercise these special and discretionary powers very wisely and rarely. That may be so. A wise Governor General and a prudent Governor may not interfere very much, but there is seemingly no guarantee, no pledge even that they will not do so.

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Sir, the pledge of the British Premier that the reserved powers will be so framed and exercised as not to prejudice India's advance through her own Constitution to full responsible Government, has not been fulfilled. (Applause.) India, therefore, has a very strong case for urging the modification of the scheme in material particulars.

Well, Sir, on the point of safeguards, there is going to be a very stiff battle in the Joint Parliamentary Committee stage. Indian opinion will hold very strongly that the special powers of the Governor General and of the Secretary of State regarding the stability of finance and the credit of India, the prevention of commercial discrimination, "the legitimate interests" of the services are framed on too wide a scale. With your permission, Mr. President, I will take them in their respective order.

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Russians or all three combined—many Mussalmans would like to die on the battle-fields and every inch of the ground will be fought by them and, God willing, our united forces consisting of the Britishers, Hindus, Muslims and Sikhs will be able to inflict an inevitable disaster to the enemy. Mr. President, I say it once more. If ever there is an invasion of India by any outsider—no matter who he may be—a soldier's death will be the best thing for me. *Dulce et decorum est pro patria mori*. (It is sweet and glorious to die for one's country.) The British nation should trust us and take effective steps to Indianize the Army within a fixed period—say thirty years. Without a definite programme of Indianization of the Army, the Reforms cannot be called real. (Applause.)

Mr. President, I now wish to say a few words regarding the franchise of women. I feel and have always felt for women. The franchise of women is very inadequate; their representation on Legislature is extremely insufficient. If Indian women are not given wide franchise and larger representation, how are we going to deal with illiteracy, public health and maternity? Do you not think that it is wise and just that women should have a larger representation and they should have a larger franchise? The Imperial Government have treated the question of women very shabbily indeed. They should have accepted the recommendations of the Franchise Committee. (Applause.)

Sir, I have to say a few words regarding the Muslim interests. I do not want to be a communalist. To tell you the truth, I am not a communalist, but there were certain remarks made by my able friend, Bhai Parma Nand—he is not in his seat—and by my gallant and noble friend, Mr. Amar Nath Dutt, which call for a reply. The Communal Award has become final. Both these gentlemen are living in glass houses and they should not throw stones at others. The Communal Award can only be changed if we can come to an agreed settlement. If we cannot, then it must be accepted in the spirit in which it was given. We forced the British Government to make that Award. If we could settle our communal differences, the Award could have never seen the light of the day. The good faith of the British Government cannot be doubted in this respect. The present scheme in the White Paper is based on the acceptance of All-India Federation and the Communal Award. Again, Sir, my able and learned friend, the Leader of the Independent Party, remarked that the Mussalmans' share in the services should be earmarked. Well, Sir, services are very important things and Sir Abdur Rahim was very much in the right when he said that the minorities should have adequate representation in the services. Is there any gentleman who can deny that proposition? No one can deny that the important minorities should have their share in the Cabinet, the Services and the Army. Why my learned friend, Bhai Parma Nand, was unnecessarily provoked over it? There was nothing wrong in it. No arguments are needed in support of it. It is only just and fair that Muslims want an adequate share in the services. When the power is about to pass to the majority, the minorities desire that their rights and interests should be safeguarded in the Constitution and defined in the Fundamental Rights. (Applause.)

With regard to the provinces, I beg leave to say that the powers of the Governor should be very much curtailed. I am not against the emergency powers; they are given in every Constitution of all the civilized countries. In my opinion, the emergency powers must be retained, but



[Mr. H. A. F. Metcalfe.]

four individuals have actually been deported. I am, however, informed that the Consul-General still continues to make representations to the Governor General, and also that His Majesty's Government have authorised their representative at Paris to continue representations to the French Government who have already commenced to take a genuine interest in this affair. I trust that, after hearing this, the House will agree that everything possible has been done, and that His Majesty's Government have shown the fullest desire to accord to His Majesty's subjects in Indo-China all possible protection.

There is very little more, I think, that I need say, but it may interest the House to know that already a considerable amount of public sympathy has been displayed in the local Press on behalf of these gentlemen, and that articles have appeared in the Press, of which I have seen copies,—I am unable to quote them, because they are in French,—but these articles have many of them said that the Chettiyars have been of great assistance to the Colony in promoting the prosperity and welfare of all the people there, and there is criticism of the Local Government's action. I mention this, because it may perhaps serve to satisfy the House that there is not that great danger which the Mover of the motion anticipated that there may continue to be a general expulsion of these people whom we are trying to protect. That, Sir, is, I think, all that I need say.

**Diwan Bahadur A. Ramaswami Mudaliar:** This motion, as the House will easily realise, is not the usual Adjournment Motion which means a censure on any of the activities of the Government. It has been merely brought forward to ventilate a certain point of view and to get a public assurance on the floor of this House that everything that can possibly be done in a very delicate matter has been done and will continue to be done. That assurance we have had in a fair measure from the Foreign Secretary.

As regards discrimination, our information is that there has been a case of discrimination, and I trust that the Foreign Secretary will try to get more information on the subject, and, if there has been such discrimination, to make every effort possible to prevent it. I trust, further, that not merely will the threatened danger of further expulsions of these Chettiyar Bankers be arrested, but that those who have been expelled and those who have left all their property behind to go to rack and ruin will be permitted to return to their proper domicile in which they have lived for several years and that they will be allowed to peacefully continue their avocations there. I do not know what course you would suggest that I should take . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): If the Honourable Member wishes to do so, he can ask the leave of the House to withdraw his motion.

**Diwan Bahadur A. Ramaswami Mudaliar:** In that case I ask for leave of the House to withdraw my motion.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Has the Honourable Member got the leave of the House to withdraw his motion?

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

## PROPOSALS FOR INDIAN CONSTITUTIONAL REFORM—contd.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The Chair will now allow the Honourable Member from Bihar to finish his speech.

**Mr. Gaya Prasad Singh:** Sir, a few minutes ago, I quoted a sentence from the speech of Sir Samuel Hoare to the effect that the safeguards propounded in this White Paper were in the interests of both India and England. I will go further and say that the safeguards are more in the interests of England than of this country. I submit that this is in utter violation of the Gandhi-Irwin Pact which was entered into with due solemnity. It is a sorry spectacle that the substance of a Pact which was entered into between the representative of His Majesty the King Emperor in this country, Lord Irwin, and the representative of the largest political party in India, Mahatma Gandhi—that the spirit of that solemn Pact is now sought to be violated at the instance of His Majesty's advisers to placate the die-hards in England. The only safeguards that were understood to be in contemplation were safeguards which were in the interests of India only. I, therefore, submit that so far as the safeguards are concerned, they have reduced to a mockery even the shadow of the little powers which the White Paper seeks to confer upon us.

Another omission in the White Paper is that no fundamental rights have been defined or adumbrated in it. I am now hastily skipping over some of the points which I think it necessary to place before this House. An important reactionary suggestion in the White Paper is that relating to the Constitution of the High Courts, and I am sorry that no previous speaker has drawn attention to it. It is contained at page 67 of the White Paper. It runs as follows:

"The qualifications for appointment as a Chief Justice or Judge will remain as at present, but the existing provision, which requires that one-third of the Judges of a Court must be barristers or members of the Faculty of Advocates in Scotland and that one-third must be members of the Indian Civil Service will be abrogated."

Any person qualified to be a Judge will be eligible for appointment as Chief Justice."

The existing rule is that not more than one-third of the number of Judges of a High Court should be drawn from the Indian Civil Service. Now the White Paper seeks to abrogate that rule, with the result that at one time it is possible for all the Judges of any High Court to be members of the Indian Civil Service, and for the Chief Justice also to be a member of that Service. Hitherto a bar had been placed on the appointment of a member of the Indian Civil Service as the Chief Justice of a High Court. Some time ago, the number of Civilian Judges of my own High Court in Bihar exceeded the prescribed limit, and I drew the attention of the Government to that fact. The Government admitted it in the course of their reply to my question, and steps were taken to remedy it. If this proposal is given effect to, the Chief Justice of a High Court may be a Civilian, and all the Judges of the High Court may also be members of the Indian Civil Service. I submit that this proposal is retrograde, and it seeks to place even our High Courts under executive domination.

With regard to what my Honourable friend, Mr. B. Das, said regarding the constitution of Orissa into a new province, I have nothing to say. (Mr. B. Das: "Thank you.") I am very glad that Orissa is going to be made a separate province, and the recommendation of the Committee.

[Mian Muhammad Shah Nawaz.]

are also condemned by the die-hards in England. Liberals and Moderates consider them unsatisfactory inadequate and disappointing. The general impression is that the scheme consists mainly of safeguards and the necessary responsibility which it confers in the provinces and at the Centre is apt to be overlooked. Nevertheless, it must be admitted that there is an important advance, although the special powers of Governor General and the Secretary of State are conceived in very wide, vague and general terms, and their unnecessary use will very likely constitute an unwarranted interference with the rights of the Legislature and place the Ministers in an embarrassing position and thus hinder the smooth working of the Constitution.

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Russians or all three combined—many Mussalmans would like to die on the battle-fields and every inch of the ground will be fought by them and, God willing, our united forces consisting of the Britishers, Hindus, Muslims and Sikhs will be able to inflict an inevitable disaster to the enemy. Mr. President, I say it once more. If ever there is an invasion of India by any outsider—no matter who he may be—a soldier's death will be the best thing for me. *Dulce et decorum est pro patria mori*. (It is sweet and glorious to die for one's country.) The British nation should trust us and take effective steps to Indianize the Army within a fixed period—say thirty years. Without a definite programme of Indianization of the Army, the Reforms cannot be called real. (Applause.)

Mr. President, I now wish to say a few words regarding the franchise of women. I feel and have always felt for women. The franchise of women is very inadequate; their representation on Legislature is extremely insufficient. If Indian women are not given wide franchise and larger representation, how are we going to deal with illiteracy, public health and maternity? Do you not think that it is wise and just that women should have a larger representation and they should have a larger franchise? The Imperial Government have treated the question of women very shabbily indeed. They should have accepted the recommendations of the Franchise Committee. (Applause.)

Sir, I have to say a few words regarding the Muslim interests. I do not want to be a communalist. To tell you the truth, I am not a communalist, but there were certain remarks made by my able friend, Bhai Parma Nand—he is not in his seat—and by my gallant and noble friend, Mr. Amar Nath Dutt, which call for a reply. The Communal Award has become final. Both these gentlemen are living in glass houses and they should not throw stones at others. The Communal Award can only be changed if we can come to an agreed settlement. If we cannot, then it must be accepted in the spirit in which it was given. We forced the British Government to make that Award. If we could settle our communal differences, the Award could have never seen the light of the day. The good faith of the British Government cannot be doubted in this respect. The present scheme in the White Paper is based on the acceptance of All-India Federation and the Communal Award. Again, Sir, my able and learned friend, the Leader of the Independent Party, remarked that the Mussalmans' share in the services should be earmarked. Well, Sir, services are very important things and Sir Abdur Rahim was very much in the right when he said that the minorities should have adequate representation in the services. Is there any gentleman who can deny that proposition? No one can deny that the important minorities should have their share in the Cabinet, the Services and the Army. Why my learned friend, Bhai Parma Nand, was unnecessarily provoked over it. There was nothing wrong in it. No arguments are needed in support of it. It is only just and fair that Muslims want an adequate share in the services. When the power is about to pass to the majority, the minorities desire that their rights and interests should be safeguarded in the Constitution and defined in the Fundamental Rights. (Applause.)

With regard to the provinces, I beg leave to say that the powers of the Governor should be very much curtailed. I am not against the emergency powers; they are given in every Constitution of all the civilized countries. In my opinion, the emergency powers must be retained, but

[Mian Muhammad Shah Nawaz.]

they should only be exercised in the event of the breakdown of the constitution. The special powers of the Provincial Governors go beyond even the recommendations of the Simon Commission.

Mr. President, I wish to say a few words about Baluchistan. Baluchistan has been entirely ignored and the distinguished Round Tablers paid no attention to the case of Baluchistan. It is true that Baluchistan is not very well populated. But the Baluchis belong to an ancient race; they represent an ancient civilization and their affairs should not be neglected. The White Paper says that these affairs will be entirely in the hands of the Viceroy and I do not know whether the Federal Assembly will be empowered to discuss those matters. (*Honourable Members*: "It will not be.") The issue is somewhat important and I hope that our representatives on the Joint Parliamentary Committee will press forward the claims of the Baluchis. (Applause.)

**An Honourable Member:** Statutory majority for Muslims?

**Mian Muhammad Shah Nawaz:** Well, Sir, I want to say one thing to my Hindu friends. Do they really believe that Muslims are unpatriotic and communalists? Believe me, they are not. The Muslims by their religion, culture and tradition are broad-minded and, I daresay, many of us are more broad-minded than many of the Hindus. We are destined to live together. The Hindus, the Muslims, the Sikhs, the Parsis and the Britishers are going to solve the world problem of humanity. Shall we solve them by a Hindu Raj or a Muslim Raj or a purely British Raj? Nothing of the kind. We want an Indian Raj. Call it a Raj or a *Swaraj*. We want to be an equal partner within the British Commonwealth of Nations. We want to work with our British friends and comrades. We are not against the British element in the Services. The Britishers have rendered admirable and meritorious services. It will be rank ingratitude not to acknowledge and appreciate their services. Sir, Providence has destined us to live together. There may be differences of opinion; there will be differences of opinion on several questions but no soars will be left behind. We must work on the lines of helpful co-operation. I am perfectly certain that although:

"We school our manners, act our parts,  
But He who sees us through and through,  
Knows that the bent of both our hearts,  
Is to be gentle, tranquil and true."

Let us then press on with our objects with faith and courage. May our efforts be crowned with success. (Loud Applause.)

The Assembly then adjourned till Eleven of the Clock on Friday, the 31st March, 1933.

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